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THE 1984-85 ECONOMIC REVIEW OF TRAVEL IN AMERICA

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The United States Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is financed through publication sales, membership dues and contract research. It is located in Suite 610, 1899 L Street NW, Washington, DC 20036.

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EXECUTIVE SUMMARY

- U.S. and foreign travelers spent $229 billion in the U.S. during 1984, eight percent more than in 1983. This equaled 6.1 percent of the gross national product.

- Travel spending in America directly generated 4.9 million jobs in 1984, paying nearly $52 billion in wages and salaries and producing over $25 billion in federal, state and local tax revenue.

- If viewed as a single retail industry, the travel and tourism sector is the third largest retail industry in business receipts, after automotive dealers and food stores.

- The 1984 gain in travel industry sales lagged growth in the GNP in both real and dollar terms.

- Common carriers accounted for a greater share of total intercity passenger-miles than for any other year in the previous decade.

- Travel price inflation fell to 3.8 percent in 1984, the lowest rate in a dozen years.

- Travel industry employment continued to outpace the overall economy during 1984, producing 479 thousand additional jobs for the year.

- Petroleum consumed in traveling away from home in the U.S. rose four percent in 1984, but accounted for less than 11 percent of U.S. petroleum consumption.

- Foreign visitors to the U.S. totaled 20.8 million in 1984, down four percent from 1983, and their expenditures declined for the third consecutive year.

- U.S. and foreign travelers spend more in the Southeast region than in any other region.

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I. INTRODUCTION

This is the fifth annual report on the role of travel and tourism in the American economy. It is designed to review the economic contributions of travel away from home in 1984, developments in the travel industry, and the effects of recent economic changes on travel and tourism.

The information in this report has been gathered from the best objective sources available and analyzed with an eye to clearly portraying the history, prospects, opportunities and challenges of travel and tourism in America. It is published in the spirit of assisting the industry and others to understand the the public interest in travel and tourism.

A realistic appreciation of travel's strengths and vulnerabilities helps guarantee that travel will contribute as much or more to America's growth and well-being in the years ahead as it has in the past.

Travel

The subject of this report is travel away from home. Over the years there has been considerable discussion of the appropriate definition of this activity. The Data Center has adopted the following provisional definition of travel for its economic impact studies since 1977: trips to places 100 miles away from home or overnight regardless of distance.

In practice, studies by various organizations have incorporated different definitions. These include travel 100 miles or more away from home; or overnight stays away from home; or national, state or local border crossings. The travel activity data discussed in this report reflect these differences but have been chosen to approximate the Data Center's provisional definition as closely as feasible.

The Travel Industry Association of America is in the process of developing a consensus definition of travel and the travel industry. The Data Center expects to adopt this in future studies and issues of this report.

The word, "tourism," is avoided in this report as being a confusing term. While it is often used to denote travel away from home in many parts of the world, in American parlance it connotes travel for pleasure only. When the term does arise

herein, it is as a synonym for travel away from home, to emphasize that we are interested in activity away from home, rather than local traffic.

The Travel Industry

The travel industry has been described, half facetiously, as a collection of diverse products sold by a fragmented industry to segmented markets through a complex distribution chain. This suggests the complexity of the industry and the difficulties of describing it.

The travel industry is not concentrated in definite areas of the country or characterized by large plants with towering smokestacks. Instead, it comprises the airline terminal in the suburbs, the restaurant in town, the highway motel, the travel agency down the block, and a host of other businesses that do not even recognize their dependence on tourism since visitors are indistinguishable from local customers.

It is not surprising that government officials, business executives and the public have not grasped the scope and significance of travel away from home and the industry that has developed to serve it. Many in the travel industry do not fully comprehend the nature of travel's economic contributions. How much more difficult it is for others, often in position to influence the course of travel and prospects for the industry, to realize the significance of tourism.

Businesses are commonly grouped together into industries by the type of product they produce, such as the U.S. government's Standard Industrial Classification system. The steel industry produces steel, the hotel industry, lodging, and so on.

Travelers, however, patronize a number of different industries as conventionally defined. They purchase public transportation, gasoline, food, lodging, entertainment, recreation, and countless incidental goods and services. U.S. businesses provide these items to travelers, and to local residents and business firms as well.

For this reason, we cannot define a "travel industry" that excludes receipts from local activity as such. We can, however, develop a spectrum of types of U.S. businesses based upon their relative dependence on traveler expenditures for business receipts.

In the U.S., "primary travel-related businesses," those which depend upon travel expenditures for more than one-third of total sales receipts, include intercity bus, rail and air passenger carriers; eating and drinking places; hotels, motels and

motor hotels; campgrounds and transient trailer parks; car rental firms; and amusement and recreation services. By charting trends for this group of businesses, we can infer conditions in the "travel industry" as a whole.

Unfortunately, data are not readily available on each of these travel industry sectors. The reader will note that the components making up the travel industry in this report change from chapter to chapter, depending on the statistics available. However, we feel that the data do indicate how the travel industry is faring and how it is contributing to the U.S. economy.

Automobile travel, including that by auto, truck, recreational vehicle, and motorcycle, comprises 60 percent to 80 percent of all travel away from home in this country, depending upon whether passenger-miles or passengers are measured. The type of business that could best represent this transportation activity is gasoline service stations. However, traveler expenditures on auto transportation comprise only about 20 percent of total sales of these establishments.

Consequently, we have elected to exclude gasoline service stations from the travel industry represented in this report. By so doing, we exclude businesses representing a large sector of travel activity but improve our chances that the travel industry described herein actually represents travel-related business developments.

While some data on travel and the travel industry extend back several decades, a large part of the information we have from the federal government of receipts, prices, traffic and employment in travel-related businesses begin more recently. As a result, most of the past perspectives on travel and the industry provided in this report cover the period from 1972.

While we always clarify which activities and types of businesses are included in this report, the charts and analysis focus on travel and the industry that services it as a whole, rather than on its component parts. Travel away from home is a distinctive human activity, requiring a variety of goods and services. The consumption of these goods and services makes the establishments which provide them necessarily interdependent. People who travel need a mode of transportation, a place to visit, shelter, and food. Oftentimes, they demand entertainment, recreation, and other items as well.

In a very real sense, we would not have hotels without transportation, nor would people travel without a place to stay. Similar interdependence among other traveler activities can be easily identified. Consequently, we feel travel and the travel industry is best viewed in its entirety and attempt to emphasize this perspective.

A traveler's purchase from a retail business begins a productive economic process that stretches through wholesale, manufacturing, extractive, transportation and service firms. There are indications that this secondary or "multiplier," impact of such a purchase can dwarf the direct impact on the travel-serving retail business.

However, this review concentrates on the direct impact of travel and tourism on the U.S. economy. This is not to say that the secondary impact is unworthy of review but that the data here are not nearly as well-developed. It is hoped that future editions of this review can include sound estimates of the multiplier impact of travel expenditures in the U.S. as well as the direct effects.

Organization of the Report

This review is organized in eight chapters. Recent developments in travel activity along with current industry trends placed in the perspective of the last decade are discussed in Chapter II. Chapter III presents a discussion of travel price inflation. Chapter IV focuses on the unique ability of the industry to create jobs.

Chapter V highlights the dependence of travel on petroleum fuel supplies and emphasizes the relatively small share of energy consumption attributable to the activity.

Chapter VI presents a discussion of international travel trends and their effect on the U.S., while Chapter VII surveys regional trends in travel.

Chapter VIII provides a summary of travel and the economy.

The appendices provide background information essential to the report. Appendix A presents the base data used for calculating the charts included in the previous chapters. Appendix B is a list of sources used in the preparation of the review.

Please note: Detail numbers in tables may not add to the totals due to rounding.

II. TRAVEL ACTIVITY AND INDUSTRY TRENDS

The U.S. economy in 1984, the second year of economic recovery after an eighteen-month recession notable for its high unemployment rates and devastating impact on manufacturing industries, accelerated dramatically. Indeed, the nation's real output grew 6.8 percent, the highest rate in 33 years.

Table II-1 shows the course of a number of major economic variables that could be expected to affect travel away from home in America. It is clear that the overall economy grew rapidly enough to stimulate consumer and business purchases, including travel.

Table II-1: Overall U.S. Economic Developments, 1983-85 projected (percent change from previous year)

	Projected 1985	1984	1983
Dollar GNP	6.2%	10.8%	7.7%
Real GNP	2.4	6.8	3.7
Personal income	6.5	9.8	6.2
Corp. profits after tax	-7.0	14.8	21.6
Consumer price index	3.7	4.3	3.2
Payroll employment	3.5	4.5	0.6

Source: U.S. Travel Data Center, Council of Economic Advisers

The employment-generating powers of the 1984 economy were extraordinary. More than three million new jobs were created for the largest percentage growth in six years. The unemployment rate fell by one percentage point over the course of the year, and the decline was widespread among industries and population groups.

Price inflation remained moderate. Consumer prices grew somewhat more rapidly than in 1983, but still posted the second lowest rate in a dozen years. This, coupled with the strong advance in personal income, produced an unusually large increase in real purchasing power.

The economy is expected to slow considerably in 1985 from 1984's rapid pace. This is more likely to be a pause in the expansion than the beginning of another recession. Employment and personal income will climb fast enough to boost consumer spending, but the decline in corporate profits projected, coupled with slower real growth, could affect business travel.

Travel Activity

Despite the accelerating economic recovery that characterized the year, travel continued to decline in 1984. As indicated in Table II-2, U.S. travel away from home as measured by the Data Center's National Travel Survey in "person-trips" (one person on a trip to a place 100 miles or more away from home) fell for the third year in a row. The decline actually accelerated from the one percent drop posted in 1983. However, the 1984 person-trip total still exceeded the one billion mark despite the decline.

Table II-2: U.S. Travel Away from Home for Selected Purposes or Occasions, 1984 (millions of person-trips)

Purpose or occasion	1984	Change from 1983
Total	1,012	- 4.3%
Vacation	690	7.5
Business/convention	156	6.8
Sightseeing, recreation	350	-12.9
Weekend	435	-10.3

Note: categories overlap and do not add to total
Source: U.S. Travel Data Center

The decline was centered in pleasure trips for sightseeing, entertainment and recreation, primarily on weekends. Vacation and business/convention travel actually increased in 1984 on a person-trip basis.

Travel measured in nights away from home fell less than person-trips, as Americans increased overall trip durations from 5.1 to 5.2 nights per trip (Table II-3). Average durations

increase for all categories shown, except vacation trips. This continues a pattern evident in earlier years, where the marginal trips added during prosperity and deleted during recessions are of relatively short-duration.

Table II-3: U.S. Travel Away from Home for Selected Purposes or Occasions, 1984 (millions of person-nights)

Purpose or occasion	1984	Change from 1983
Total	5,262	- 2.5%
Vacation	4,069	2.2
Business/convention	702	19.8
Sightseeing, recreation	2,028	- 9.8
Weekend	1,087	- 2.6

Note: categories overlap and do not add to total
Source: U.S. Travel Data Center

Travel Spending

U.S. residents spent $224 billion traveling away from home during 1984, up eight percent from the previous year (Table II-4). This travel spending averaged $9660 per resident, and more than $430 thousand a minute. Americans spent more on travel in 1984 than they did on clothing, accessories, jewelry and personal care, or household utilities including telephone service.

Table II-4: U.S. Travel Expenditures, 1984 ($ billions)

Location	1984	Change from 1983
On domestic travel	$212	8.1%
On foreign travel	16	14.4
Total	$229	8.4%

Source: U.S. Travel Data Center, U.S. Department of Commerce; preliminary

U.S. spending on domestic travel increased more slowly than its trend rate of growth since 1978. Travel spending in foreign countries, however, posted the highest rate of increase in twelve years. The unusually favorable exchange rates Americans enjoyed vis-a-vis major foreign currencies, coupled with the economic expansion, continued to stimulate travel abroad to an unusual degree.

Overall, U.S. travel spending increased more than eight percent in 1984, about the same rate as total spending on all goods and services (GNP).

Travel's contribution to the American economy are better suggested by travel spending in this country rather than by what Americans are spending here and abroad. American and foreign travelers in the U.S. spent $224 billion in 1984, up nearly eight percent from the previous year (Table II-5). This spending accounted for 6.1 percent of our gross national product for the year.

Table II-5: Travel Expenditures in the U.S., 1984 ($ billions)

Source	1984	Change from 1983
U.S. residents	$213	8.4%
Foreign visitors	11	- 0.2
Total	$224	7.6%

Source: U.S. Travel Data Center, U.S. Department of Commerce; preliminary

Foreign visitor spending in the U.S. fell for the third year in a row, and stood twelve percent below its 1981 high. Disappointing rates of economic recovery in many foreign nations and the dollar's continued strength in foreign currency markets priced travel to the U.S. beyond the means of many potential international travelers.

Foreign visitor expenditures accounted for less than five percent of total travel spending in the U.S. during the year. Consequently, the eight-percent growth in U.S. domestic travel spending swamped the decline from foreign visitors to produce an overall increase below the trend rate over the last five years.

Traveler expenditures become sales receipts for travel-related businesses. Total receipts attributable to travelers suggests the magnitude of the "travel industry" in America. We can then place the travel industry in perspective by comparing its sales to other industries.

Such a comparison is not straightforward. One reason is that the U.S. Census Bureau does not publish annual sales data for all industries. Another is that retail industries cannot be fairly compared with wholesale, manufacturing or extractive industries since retail sales include the value of output of the latter businesses. Consequently, the retail sales of a product will always exceed the value of the product's manufacture.

Finally, what is published as receipts for some sectors, such as health services, includes substantial government payments in the form of subsidies and administrative payments. Government policies directly determine the size of such industries, rather than consumer or business demand.

The Census Bureau does publish consistent annual sales estimates for a number of retail and service industries. In Table II-6, these estimates are listed for the top five such industries in 1984. The $224 billion spent on travel and tourism in the U.S. generated $220 billion in sales receipts, after removal of retail sales taxes.

Table II-6: Travel Business Receipts in the U.S. Compared to Major Retail and Service Industry Receipts, 1984 ($ billions)

Industry	Sales
Automotive dealers	$277
Food stores	270
Travel and tourism	220
General merchandise stores	154
Business services	150

Source: U.S. Travel Data Center, U.S. Bureau of the Census

The travel industry remained in third place for the second year in a row after two years of ranking ahead of automotive

dealers. Boosted by a 19-percent increase in sales, the best growth in five years, automotive dealers jumped ahead of food stores in 1984 for the first time on record (1967-present).

In terms of employment, travel directly generates more jobs than any other U.S. industry except health services (doctors, nurses, hospitals, laboratories, etc.). Travel directly supported more jobs than the combined total employment of 14 states during 1984. The wage and salary income paid to these employees surpasses the combined payrolls of nation's steel and motor vehicle manufacturing industries.

Travel's Economic Impact

Travelers purchase goods and services, providing retail businesses with sales receipts. These receipts are used by proprietors to purchase the goods and services needed to serve the traveler. Labor, of course, is the major service travel-related businesses purchase, generating wage and salary (payroll) income. During the process, tax revenue is generated for federal, state and local governments.

Table II-7 indicates the national economic contribution of the $224 billion spent on travel in 1984 in terms of wage and salary income,employment, and tax revenue directly generated.

Table II-7: Measures of Travel's Economic Contribution, 1984

Expenditures in the U.S.	$224 billion
Payroll income generated	$51.8 billion
Employment generated	4.9 million jobs
Federal tax revenue generated	$13.6 billion
State tax revenue generated	$8.9 billion
Local tax revenue generated	$2.7 billion

Source: U.S. Travel Data Center; preliminary

Travel spending directly generated 2.9 percent of total U.S. wage and salary disbursements during the year, and 5.2 percent of U.S. nonagricultural payroll employment. This spending also contributed 3.6 percent of the combined tax revenue of federal, state and local governments for 1984.

During 1984, each dollar of travel spending in the U.S. generated 23 cents in payroll income, and 11 cents in tax revenue. Each $46,000 spent by travelers directly supported one job. Were the income and employment generated indirectly through the "multiplier" effect, travel's contribution to the U.S. economy would appear considerably larger.

Travel expenditures touch a multitude of different types of businesses in the U.S. This variety and the predominantly small-business nature of these businesses can obscure the considerable benefits that accrue to U.S. residents in receipts, jobs and income. These estimates help clarify the important role that travel and the travel industry play in the American economy.

Travel Industry Receipts

Travel expenditures in the U.S. generate receipts for at least 15 different types of businesses. For some of these businesses, such as Amtrak and hotels/motels, travel expenditures account for large majorities of their receipts. For others, such as general merchandise stores and gasoline service stations, receipts from travelers account for less than one-fifth of the total.

In order to examine the course of the travel industry over the years, the sales of six types of businesses are aggregated and analyzed here. These businesses are distinguished by all owing at least one-third of their receipts to travel expenditures and by reliable time series data available from the U.S. Bureau of the Census and other national authorities.

By focusing on the changes in these aggregate receipts, we can obtain a fair picture of the U.S. travel industry relative to the overall economy over time. However, the absolute values of the aggregate industry receipts discussed here tell us nothing in themselves about the magnitude of travel-generated business activity. This is so because they comprise revenue from non-travelers as well as travelers and exclude important sectors of the travel industry for which annual sales data are lacking.

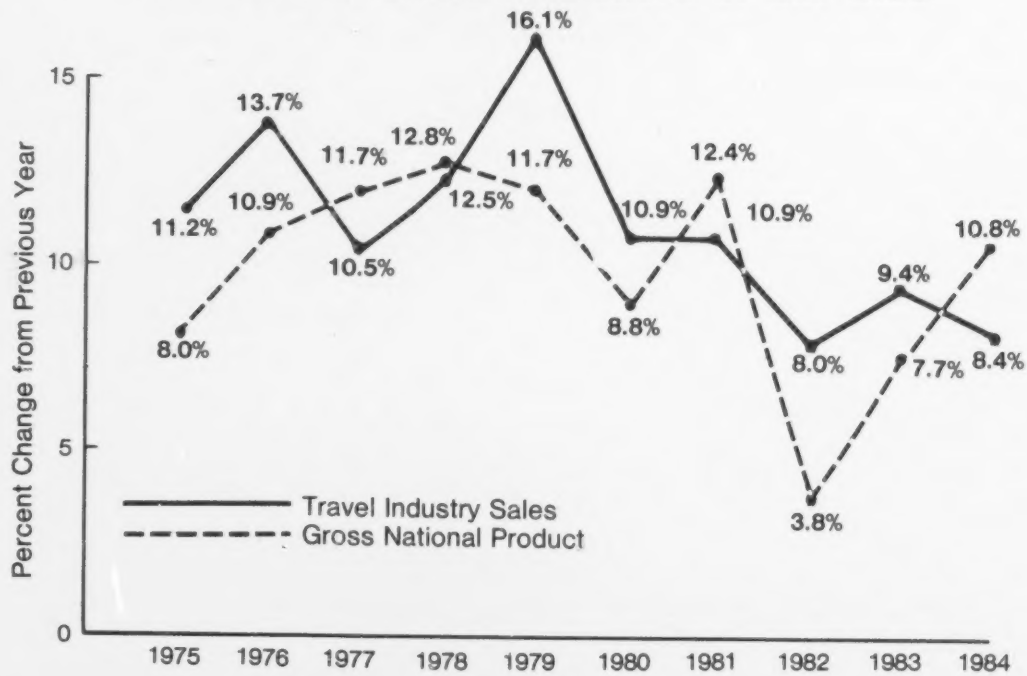
Travel industry sales have grown faster than total sales in the U.S. economy over the last decade. U.S. travel industry receipts increased 187 percent between 1974 and 1984, one-fifth faster than GNP (Figure 2A).

Travel industry receipts in 1984 increased 8.4 percent, significantly slower than the 11.1 percent long-term growth rate for this series (Figure 2B). The year produced slower growth in industry receipts than the year before, disappointing in light of the remarkable percent increase in GNP.

FIGURE 2A
TRAVEL SALES HAVE OUTPACED GNP SINCE 1974

Source: *U.S. Travel Data Center, Table 2A*

FIGURE 2B
1984 TRAVEL SALES FELL SHORT OF GNP RISE



Source: *U.S. Travel Data Center, Table 2A*

For six out of the past ten years, travel industry sales have increased faster than GNP. This includes the recession years of 1974-75, 1980, and 1983. However, sales trailed the overall economy in the expansion years of 1984 and 1985. The travel industry has performed better than most other sectors during economic downturns, and therefore posts smaller "rebounds" in recoveries.

Growth in travel activity produces increased real demand for travel goods and services. But rising travel prices obscure how much of industry sales growth is real and how much is due merely to price inflation. To arrive at a measure of real travel industry growth, we have to correct current dollar measures for changes in prices.

In Figure 2C, travel industry sales in current dollars have been deflated to represent real output, and the growth since 1974 in industry and overall output have been charted. Real output for the travel industry has grown by 45 percent since 1974, while real GNP has increased 32 percent.

Real travel industry sales have increased at a compound rate of 3.4 percent a year over this decade, significantly higher than real GNP's 2.8 percent. But as Figure 2D indicates, the industry's record compared to the nation's total output of goods and services has varied over the years.

In half the years of this decade, travel industry output has grown faster than real GNP. The industry produced counter-recessionary growth in the recession years of 1975 and 1982. However, travel industry output actually declined in real terms in the recession year of 1980, and declined faster than GNP.

Nineteen eighty was the peak year for travel price inflation, fueled by soaring petroleum prices. This depressed travel activity substantially more than other sectors of the economy.

The lesson appears to be that, when not depressed by petroleum shortages and superinflation, travel industry output is counterrecessionary. The industry tends to grow faster than the overall economy during economic downturns. In expansionary periods, the industry appears to contribute as much on balance as other sectors to overall economic growth. But over the long-term, the travel industry grows faster than the nation's real GNP.

In the expansion year of 1984, real travel sales grew only one-half as fast as the economy's total real output. For 1985, real industry output is projected to grow four percent, two-thirds faster than real GNP.

FIGURE 2C
TRAVEL INDUSTRY HAS OUTSTRIPPED GNP IN REAL GROWTH SINCE 1974

Source: *U.S. Travel Data Center, Table 2B.*

FIGURE 2D
REAL TRAVEL SALES GROWTH LAGGED GNP IN 1984

Source: *U.S. Travel Data Center, Table 2B.*

Travel Transport Activity

Americans traveled over 1.2 trillion passenger-miles on trips away from home on the nation's highways, railways and skyways during 1984. This is equivalent to a round-trip between New York and Los Angeles for every U. S. resident.

The nation's air carriers posted a 7.5 percent increase in passenger-miles to lead all modes in growth. Personal motor vehicle travel away from home (including automobiles, trucks and recreational vehicles) grew more than five percent, twice its long-term growth rate. Rail and bus travel on intercity routes also increased for the year.

Since 1974, common carrier travel, dominated by the nation's airlines, has grown at a compound rate of 5.5 percent annually, over twice as fast as personal motor vehicle travel. Air passenger-miles increased more than six percent a year over the past decade. Rail travel has grown an average of 2.8 percent annually over this period, outpacing personal motor vehicle travel, at 2.5 percent. Intercity bus passenger miles have declined at a compound annual rate of 0.2 percent over the 1974-84 period.

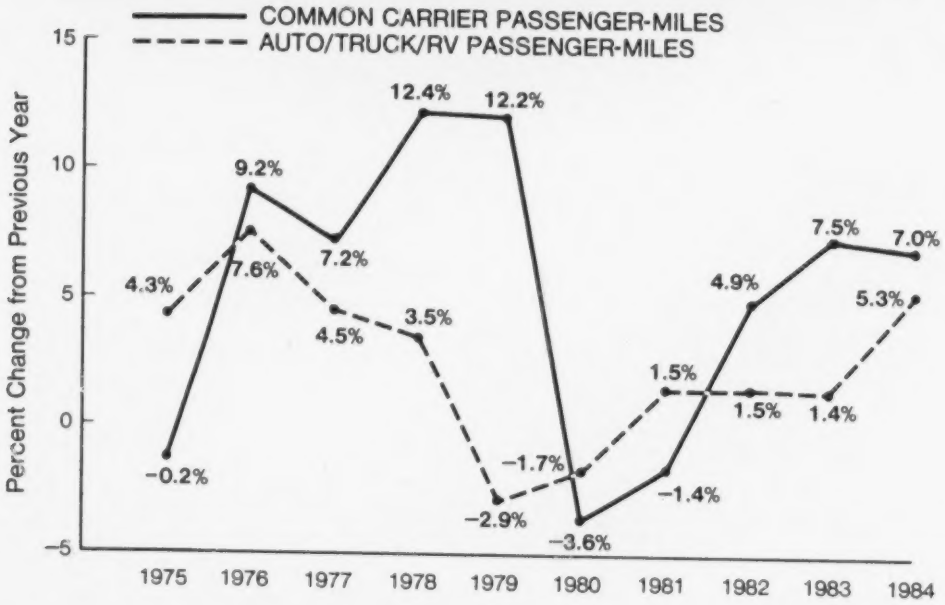
For 1985, we are projecting even stronger airline and Amtrak traffic growth. As a result, common carrier intercity passenger-miles are projected to grow ten percent, nearly three times as fast as intercity passenger-miles by personal motor vehicle.

Personal motor vehicle travel is particularly sensitive to gasoline shortages (1979) and rapid price inflation (1974, 1980) as indicated by the declines in Figure 2E. After five years of declines or sluggish growth, this travel increased more than five percent in 1984, considerably faster than the long-term growth rate of 2.5 percent annually over the last decade. A 3.5 percent rise is expected in 1985 disappointing given continued economic expansion, stable or declining gasoline prices, and improvements in the average fuel efficiency of vehicles on the road.

The common carrier share of total domestic passenger-miles away from home has increased in each of the last two years (Figure 2F). At over 22 percent of the total, common carriers showed a larger share in 1984 than at any time in the past decade.

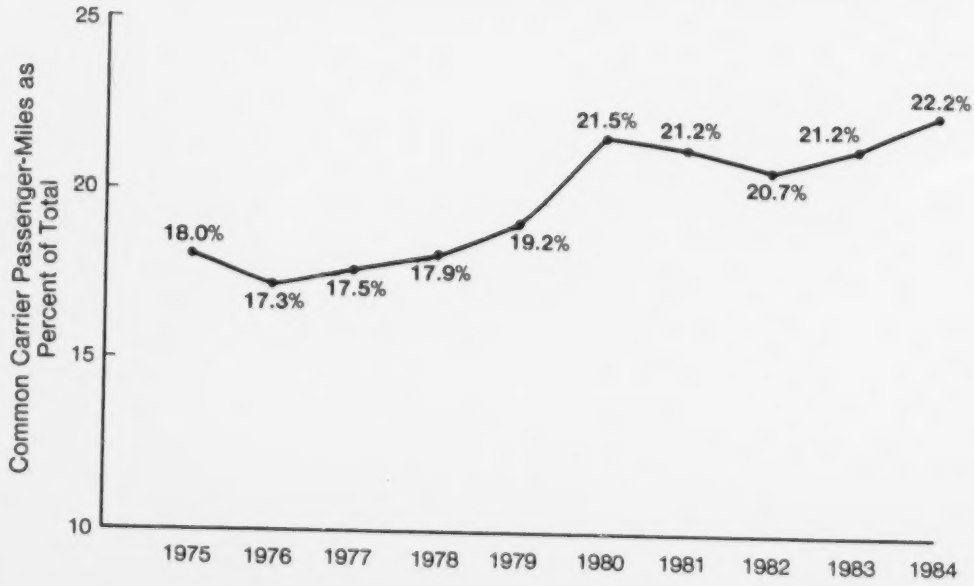
Gasoline shortages and extraordinary gasoline price inflation during the 1970's dissuaded many Americans from traveling by personal motor vehicle and directed them to common carriers instead. This move has been encouraged by the relative-

FIGURE 2E
COMMON CARRIER TRAVEL OUTPACED AUTO TRAVEL IN 1984



Source: *U.S. Travel Data Center, Table 2C.*

FIGURE 2F
COMMON CARRIER SHARE OF TRAVEL INCREASED IN 1984



Source: *U.S. Travel Data Center, Table 2C.*

ly slow advance in airline fares since deregulation. In 1985, airfares and other public transportation prices are expected to increase faster than gasoline prices. Nevertheless, bargain fares on certain routes and the rising economy will boost the common carrier share of domestic intercity passenger-miles even higher in 1985.

The Travel Agency Distribution System

Travel agencies make travel reservations for the public and sell transportation, lodging and other travel services on behalf of the producers of these services. They are retailers in that they sell travel services provided by others directly to the final customer.

This segment of the travel industry has shown remarkable growth in recent years. Travel agency locations appointed by the nation's scheduled airlines to sell tickets now number more than twenty-six thousand, twice as many as in 1977, the earliest year for which we have comparable data. Employment in these agencies now exceeds 150 thousand workers.

Total travel sales to the public by U.S. travel agencies are estimated by periodic Travel Weekly/Louis Harris studies to be $43.7 billion in 1983, or one-fifth of all U.S. travel expenditures. Agents book only eleven percent of all trips Americans take, so the average value of the trips they handle must be nearly twice as much that of the average trip Americans take.

Airline ticket sales through travel agencies now comprise 80 percent of total U.S. airline passenger revenue. Figure 2G shows the relative growth of air sales through travel agencies and total airline passenger receipts. Since 1977, travel agency sales have grown at a compound rate of nearly 18 percent a year, fifty percent faster than airline sales.

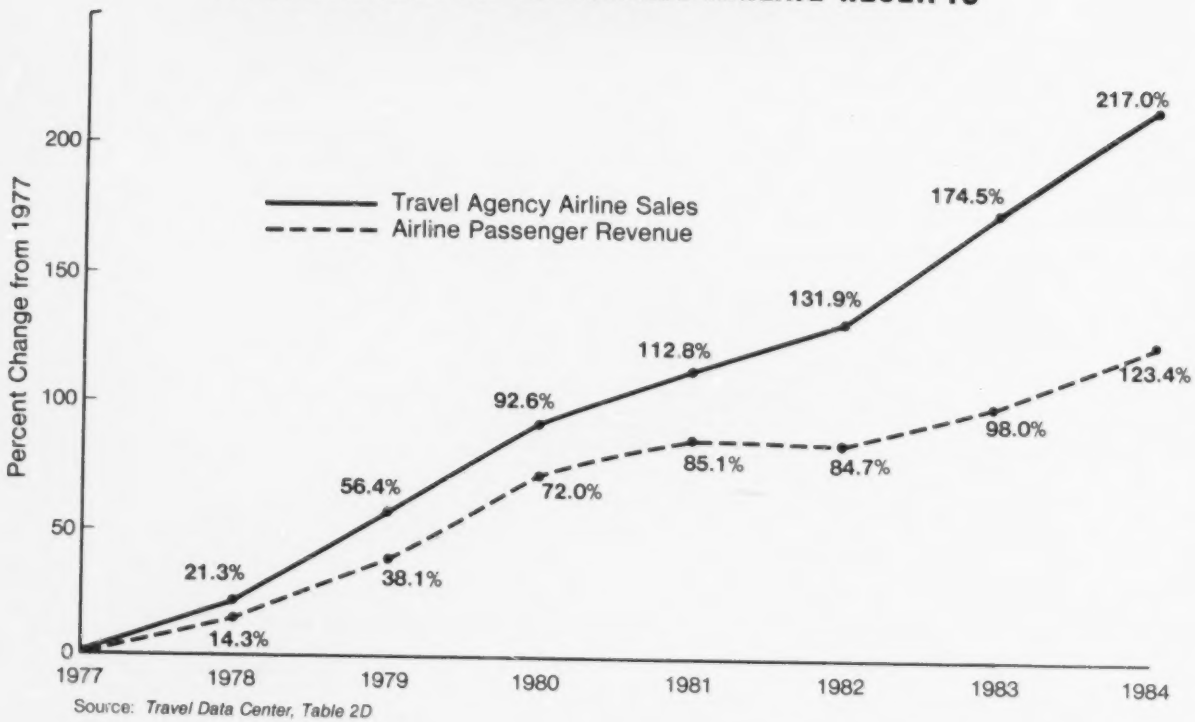
U.S. travel agents play a major role in the distribution of travel services to the public. Agency performance in recent years suggests the share of total travel expenditures through travel agencies will continue to grow unless changes in technology and airline policies reshape the distribution system.

Travel is Small Business

The U.S. travel industry is a substantial and dynamic segment of the American economy. Much of this must be attributed to the predominantly small business character of the industry.

The most recent data available (Table II-8) indicate that 99 percent of the one-half million firms in the travel industry are classified as small businesses by the U.S. Small Business Administration.

FIGURE 2G
TRAVEL AGENCY SALES OUTPACE AIRLINE RECEIPTS



Source: *Travel Data Center, Table 2D*

Table II-8: Small Business Firms and Total Firms in the Travel Industry, 1982

Sector	Total Firms	Small business firms	Small business as percent of total firms
Transportation			
Air	48	24	50.0
Bus	1,500*	1,425*	95.0
Rail	1	0	0.0
Lodging			
Hotels/motels	30,928	26,234	84.8
Campgrounds, trailer parks	3,932	3,924	99.8
Foodservice			
Eating and drinking places	258,314	257,198	99.6
Entertainment/recreation			
Amusement and recreation services	40,946	40,442	98.8
Travel industry	335,669	329,247	98.1

*estimate

Source: U.S. Travel Data Center, based on data from U.S. Bureau of the Census, Census of Service Industries, Census Retail Trade, Small Business Administration, Interstate Commerce Commission; Amtrak; World Aviation Directory.

This has been a major strength of the travel industry. Individuals find ample opportunity to establish their own enterprises and offer distinctive services for the traveling public. A small business environment tends to be strongly competitive, encouraging good service and fair pricing. Moreover, it expands consumer choice, making for a better life for the American traveler and the foreign visitor.

However, small businesses can be limited by their lack of financial resources and vulnerability to unfair government energy, tax and regulatory policies. For example, they do not have the advertising budgets necessary to tap lucrative foreign visitor markets. And their funds for lobbying against unfavorable public policies are often inadequate to the task.

Public officials should recognize that policies that assist the travel industry encourage small business development in America. On the other hand, decisions that retard the growth of travel and the industry that serves it fall most heavily on those businesses least able to survive them.

Conclusion

Travel and the travel industry perform better than other activities and industries during economic declines. However, there are signs that travel is not responding as rapidly to the current economic recovery as other sectors are.

Travel activity has been sluggish: person-trips have declined for three successive years, and nights away from home dropped in 1984. Output of the travel industry lagged the overall economy in both nominal and real dollar growth for the year.

Disposable personal income -- the income of persons after deductions for taxes on individuals and other general government nontax payments of individuals -- grew dramatically in 1983-84. In response, consumers boosted their personal consumption, particularly of certain durable goods. Sales of home building materials, furniture and other homefurnishings, appliances and consumer electronic equipment, and automobiles increased by $52 billion in 1983 and another $58 billion in 1984.

These were extraordinary increases. Table II-9 shows the ratio of the increase in spending for these consumer durables to the increase in disposable personal income. In 1983, one-third of the increase in consumer income went to finance additional home and automobile durables.

Frightened by the severity of the 1981-82 recession, many Americans postponed buying these items until their economic futures appeared more secure. Once the recovery began, and it was clear jobs and incomes were rising, they channeled their additional income to satisfying this pent-up demand. In 1984, another one-quarter of increased disposable income went to purchasing these items.

Over these two years, more than $100 billion in additional consumer purchasing power were diverted to financing consumer durable goods postponed during the previous recession. These were dollars that would have helped boost pleasure travel activity in more normal economic recoveries.

Table II-9 also indicates this surge in durable purchases after a recession has occurred before. After the 1973-75 recession, the longest since the great depression of the 1930's, the proportion of additional disposable personal income spent on higher levels of consumer durable spending jumped to 30 percent in 1976, and dropped down toward the long-term average rate of thirteen percent.

Table II-9: Ratio of Annual Change in Consumer Durable Expenditures to Change in Personal Income, 1975-84

1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
16%	-7%	9%	30%	21%	15%	10%	-8%	9%	7%	33%	24%

*receipts of bldg. material & supply stores, motor vehicle dealers, furniture & home furnishing stores, and household appliance, radio and TV stores.

Source: U.S. Bureau of the Census, U.S. Travel Data Center

This is the pattern we are seeing today. The ratio of additional durable spending to additional disposable income is projected to be 16 percent for 1985. More of the growth in income will finance increased travel than during the past several years, boosting industry output to levels more consistent with the rate of economic recovery.

In short, 1985 will be a considerably better year for travel and the American travel industry, with rising levels of trip activity and spending evident throughout the country.

III. TRAVEL PRICE INFLATION

Travel price inflation can be a serious obstacle to the growth of travel and tourism in America. If the costs of travel-related goods and services rise faster than other items consumers buy, some will switch their discretionary dollars to purchasing other leisure activities. If the costs of travel rise more rapidly than personal income, households will cut back on real travel activity, especially if all consumer prices are rising rapidly as well.

Similarly, businesses will adjust to accelerating travel price inflation by replacing business trips with other communications activities, linking trips and reducing travel party sizes, or eliminating programs requiring travel. The spread of new telecommunication technologies offers managers viable alternatives to the business trip that become more appealing as travel prices rise.

Since 1973, travel price inflation has been closely related to petroleum costs. Petroleum prices have quadrupled over the last decade, causing travel costs to soar. Fortunately, oil prices have fallen in recent years, helping to brake travel inflation.

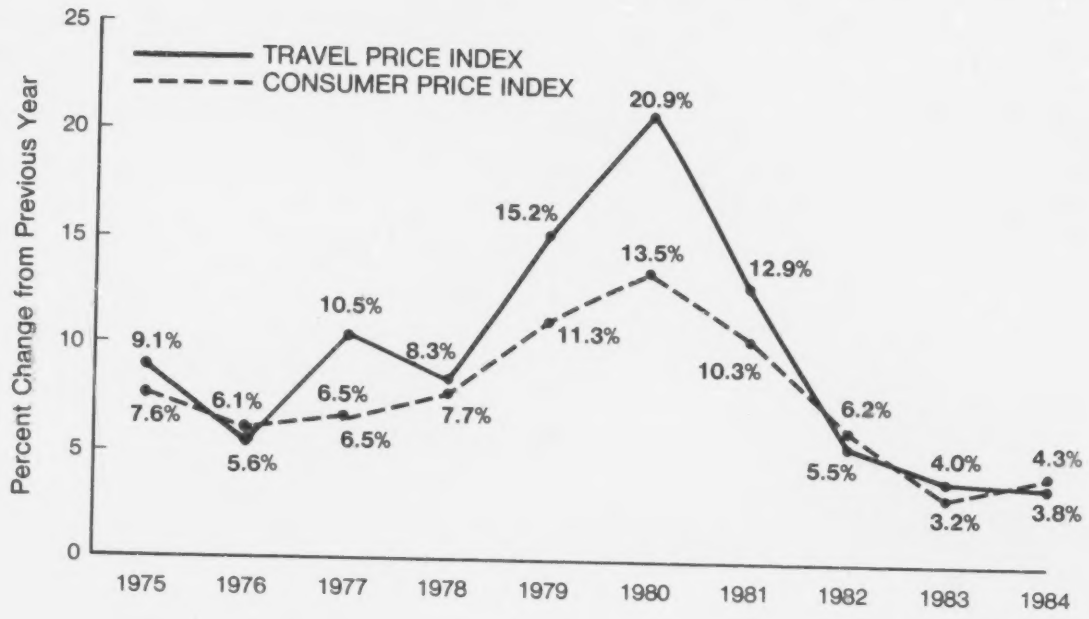
Travel price inflation reached its highest rate on record (20.9 percent) in 1980. It then fell for four consecutive years, reaching a low of 3.8 percent in 1984, the best performance in twelve years (Figure 3A).

Historically, the CPI has grown slower than the travel price index, but in 1984 travel price inflation fell below overall consumer price growth for only the second time the first time in more than a decade. At these rates, travel is remaining competitive with alternatives and becoming more affordable for businesses and consumers.

The Travel Price Index measures the change in the cost of travel away from home in the U.S. based on the U.S. Department of Labor consumer price data. The components of the travel price index are shown in Figure 3B.

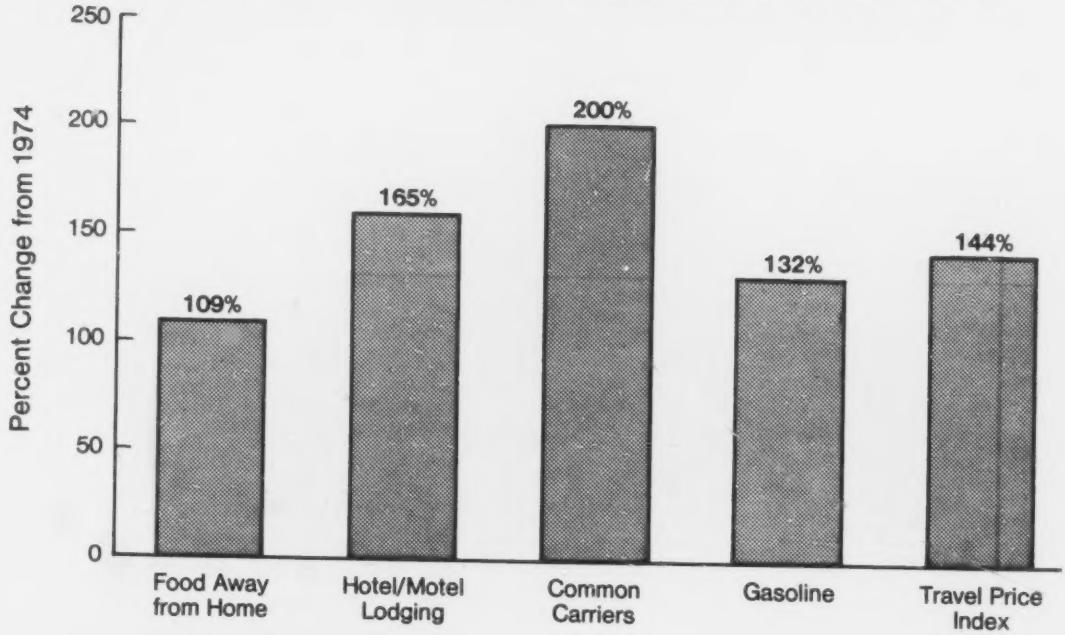
Common carrier (airline, intercity bus, and intercity rail) fares have risen more rapidly than gasoline in the last ten years. These fares responded more slowly to soaring crude oil

FIGURE 3A
TRAVEL PRICE INFLATION DECLINED IN 1984



Source: *U.S. Travel Data Center, Table 3A.*

FIGURE 3B
CARRIERS HAVE LED TRAVEL PRICE SURGE SINCE 1974



SOURCE: *U.S. TRAVEL DATA CENTER, TABLE 3A.*

prices than did the price of gasoline. Although fare increases in the early 1980's were high, they have leveled off recently in response to declining petroleum prices. This contributes to recovery in the travel industry.

Comparisons of travel price inflation over the last decade, the last year, and projected 1985 are shown in Table III-1. The prices for all travel-related items rose in 1984, except gasoline. However, it appears the three-year slide in gas prices may be over.

However, all components rose more slowly than their pattern over the last decade, duplicating reduced rates of inflation in most sectors of the 1984 economy. Airline fares rose only half as fast last year as they have over the long term, while fares for the other intercity common carriers have not moderated as much.

Table III-1: Travel price Inflation, 1974-1985 projected. (annual compound percent change)

Component	1974-1984	1984	Projected 1985
Airline fares	11.7%	5.9%	5.5%
Intercity bus	10.5	8.5	7.5
Intercity rail	10.9	7.4	3.0
Gasoline	8.8	-1.6	1.5
Food	7.7	4.2	4.5
Lodging	10.3	7.8	7.5
Entertainment	6.3	5.0	5.0
Incidentals	6.1	2.4	3.0
Travel Price Index	9.3%	3.8%	4.5%

Source: U.S. Travel Data Center, based on U.S. Bureau of Labor Statistics data.

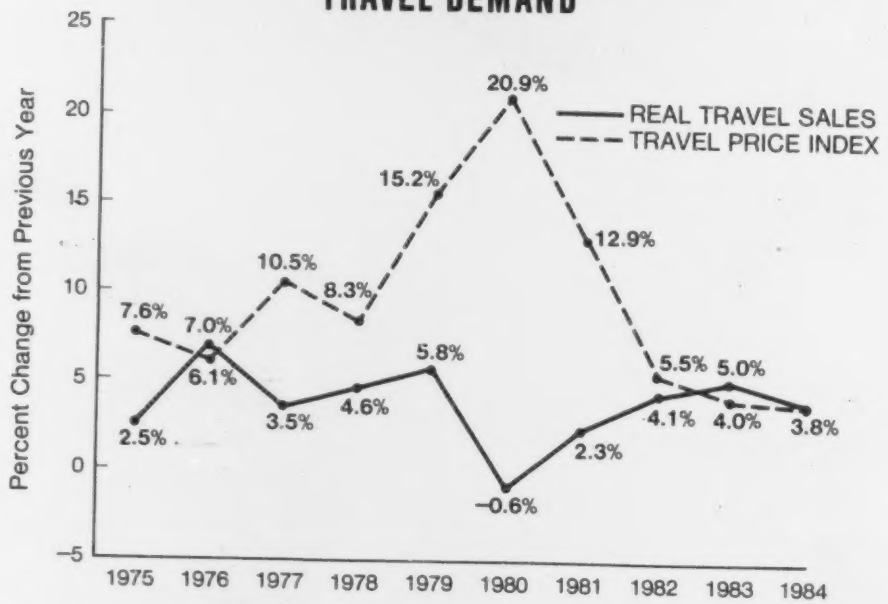
Hotel/motel room rates are projected to show the greatest percentage increase in 1985. Indeed, these have generally led all travel items in inflation over the last six years. Overall, the cost of travel away from home will rise faster than the four percent increase projected for the Consumer Price Index in 1985.

Travel prices are projected to rise 4.5 percent, more slowly than the 6.7 percent increase in 1985 personal income. Overall consumer prices are expected to increase even less. Consequently, consumers will enjoy an increase in real purchasing power during the year, purchasing power than can be directed to increasing real travel demand.

Real travel sales and the travel price index are usually inversely related: relatively low rates of travel price inflation are associated with higher rates of real travel industry growth (Figure 3C). This indicates that businesses and consumers are responsive to price fluctuations and adjustment their travel behavior accordingly. In times of rapid travel cost increases, they will seek to use substitutes such as telecommunications and local recreation. But when travel inflation moderates, they tend to increase their travel activity in real terms.

Travel price inflation began to accelerate in 1979 in response to soaring world petroleum prices. Travel demand continued to rise during the year, but then plunged in 1980 for the only decline during the decade. As travel inflation moderated in the post-1980 years, real travel demand grew steadily despite the 1981-82 recession.

FIGURE 3C
REDUCED INFLATION OFTEN ENCOURAGES TRAVEL DEMAND



Source: *U.S. Travel Data Center, Tables 2B, 3A.*

Nineteen eighty-four is an anomaly: the lowest travel price inflation in the decade was not enough to keep the growth rate of real output from falling. Instead of increasing travel, consumers diverted their growing real incomes toward financing soaring major durable purchases to satisfy their pent-up demand.

The outlook for 1985 includes travel prices rising 4.5 percent, an acceleration from 1984. However, they will still fall short of the increase in personal income, providing a healthy environment for real travel sales.

The travel industry can shape and encourage market growth through responsible pricing. Efforts to control costs and use more efficient equipment can promote the growth of real travel activity. Resisting unfavorable changes in government tax, minimum wage, and regulatory policies will also bear fruit in terms of sales growth.

IV. TRAVEL AND EMPLOYMENT

Travel and tourism in America directly generated more than 4.7 million jobs in 1984, nearly 5.1 percent of total nonagricultural payroll employment in the U.S. This ranks travel and tourism as a leading private employer, second only to health services. It is surprising but true that employment generated by travel in the U.S. exceeds the populations of 67 countries.

Travel activity in the U.S. has continually demonstrated the ability to create new jobs faster than the rest of the economy, to provide a disproportionate number of jobs for the traditionally disadvantaged, and to produce new employment opportunities during economic recessions.

Travel Creates New Jobs Rapidly

The travel industry continually outperforms the overall economy in creating new jobs. Since 1958, the earliest year for which appropriate data are available, payroll jobs in travel-related businesses have increased 221 percent, more than two and one-half times as fast as the overall economy.

The travel industry has contributed to job growth far in excess of its size. Just in the last decade travel industry employment has increased by nearly sixty percent, three times the growth rate for all U.S. industries (Figure 4A). The 2.9 million new jobs provided by the industry since 1974 comprise eighteen percent of the national increase in employment. Yet the travel industry collectively accounts for only eight percent of total U.S. employment.

Travel Provides Jobs for the Disadvantaged

Minority groups, women and youth have traditionally found it more difficult than other Americans to find jobs. The travel industry has proved itself to be an abundant source of jobs for these groups.

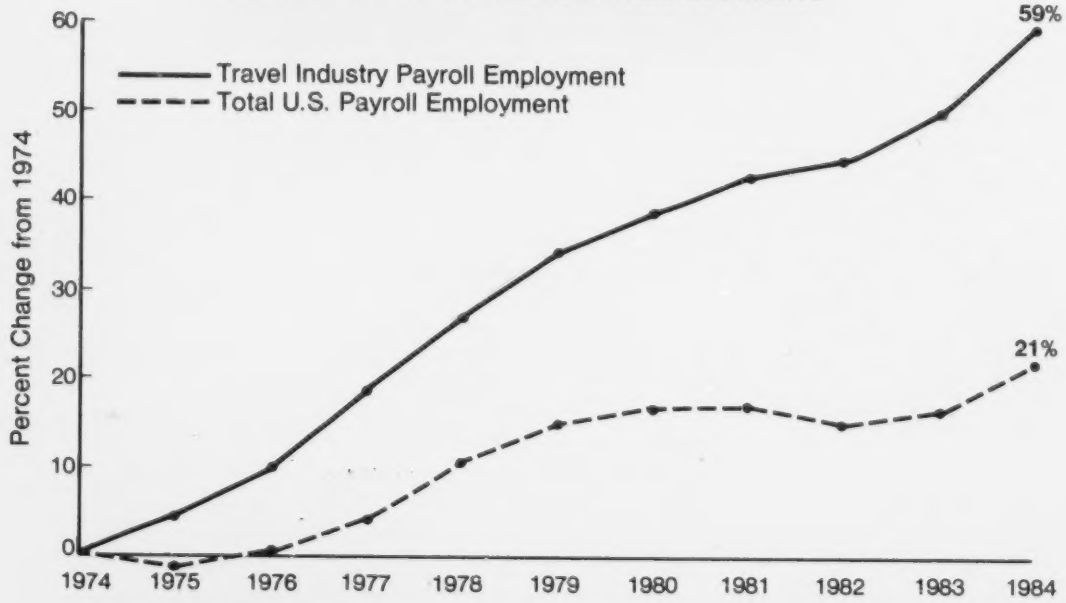
The U.S. travel industry offers a disproportionate number of jobs for blacks, hispanic-Americans, and women (Table IV-1). For the latter two groups, the travel industry provides one-fifth more jobs for its size than the rest of the economy does.

Table IV-1: Black, Hispanic and Female Share of Employment, 1984

Group	Employment share of the travel industry	Employment share of all U.S. industries
Blacks	10.2%	9.6%
Hispanic	6.7	5.4
Women	53.2	43.7

Source: U.S. Travel Data Center, U. S. Department of Labor; includes air transportation, eating and drinking places, hotels and motels, amusement and recreation services, and museums, art galleries and zoos.

FIGURE 4A
TRAVEL INDUSTRY EMPLOYMENT HAS GROWN FASTER THAN TOTAL U.S. EMPLOYMENT



Source: *U.S. Travel Data Center, Table 4A.*

Annual estimates are not available on youth employment by industry. However, data available from the 1980 Census of Population indicate those aged 16 to 24 years account for nearly 42 percent of employment in travel industry firms, compared to only twenty percent of total employment in the U.S. It appears it is twice as easy for youths to find jobs in travel as in other industries.

In 1984, the travel industry as defined here provided 806 thousand jobs for blacks, 531 thousand jobs for hispanic-Americans, and nearly four million jobs for women. It appears likely that the industry also employed about 3.3 million youths as well that year.

Travel and tourism can be counted on to offer abundant job opportunities for those who encounter the greatest difficulty in finding employment.

Travel Employment Grows in Good Times and Bad

Employment in the travel industry has risen in every year since 1958 despite five economic recessions. This enviable record is not duplicated by the rest of the economy. Total U.S. payroll employment has declined for three out of the last 26 years.

During the last decade alone, total U.S employment fell in two years (Figure 4A). Over this period, travel industry employment grew fifty-nine percent, three times the growth rate for all jobs in our economy. It is clear that travel has offered better job security and more rapidly expanding opportunities than other sectors of the economy.

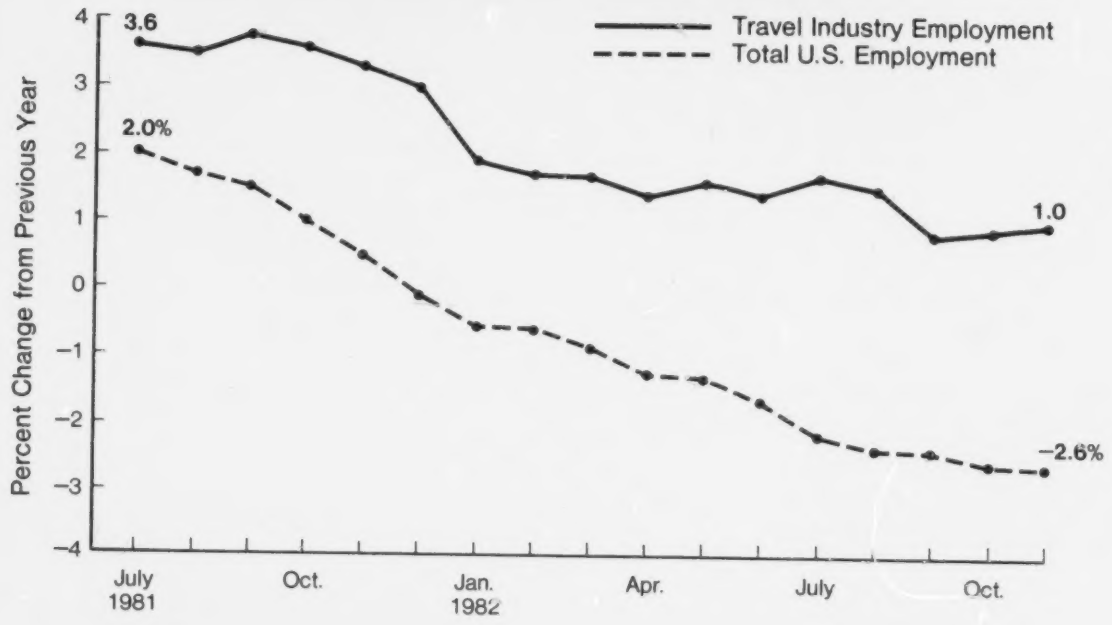
Travel Creates Jobs in Recessions

Travel industry employment has increased through the last five economic recessions, including the most recent. The 1981-82 recession was one of the worst in the postwar period in terms of job loss and unemployment. The recession began in July 1981 and by its end 18 months later, U.S. payroll employment had declined 2.6 percent below the previous year (Figure 4B).

By the recession's end in November 1982, total U.S. employment was 2.4 million jobs below the comparable month one year earlier. Travel industry employment, however, was 72 thousand jobs higher than the previous November. Indeed, travel industry employment continued to grow throughout the recessionary period.

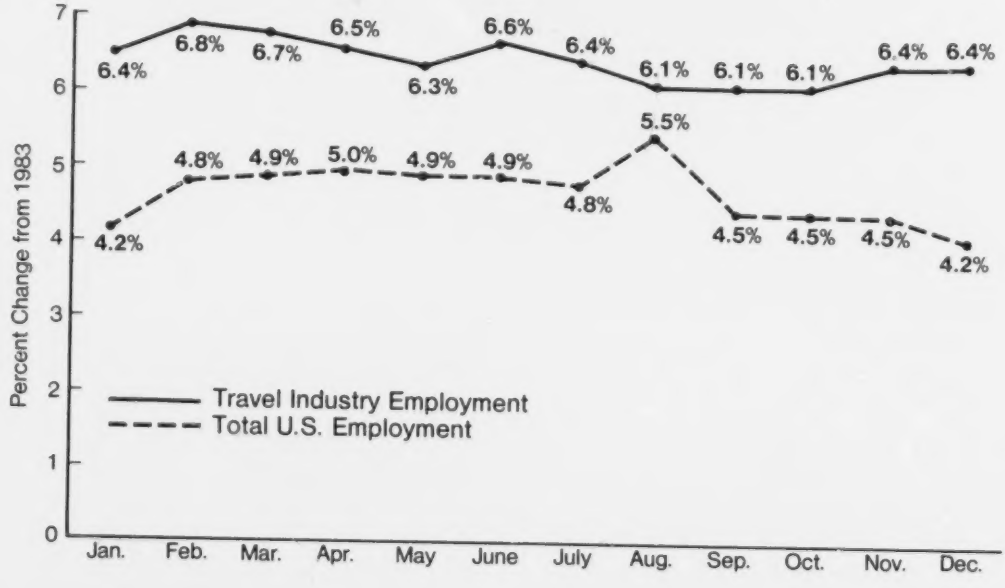
The travel industry can point to similar successes during earlier recessions: while employment in other sectors declines,

FIGURE 4B
TRAVEL INDUSTRY EMPLOYMENT GREW THROUGHOUT THE 1981-82 RECESSION



Source: *U.S. Travel Data Center, Table 4B.*

FIGURE 4C
TRAVEL INDUSTRY EXCELLED IN NEW JOBS IN 1984



Source: *U.S. Travel Data Center, Table 4B.*

travel industry employment continues to expand. Travel appears to be a counter-recessionary force in our economy, helping to offset employment losses in other industries and moderating the recession's damaging effects on jobs and income.

Despite the recession's end in November 1982, total U.S. employment continued to decline for several months in 1983. Travel industry employment, on the other hand, rose month after month, producing healthy increases throughout the year.

During 1984, travel industry employment grew fifty percent faster than overall U.S. employment for several months. It is remarkable that the industry outpaces the overall economy in creating new job opportunities in both economic recession and recovery.

For the year as a whole, travel industry employment increased by 479 thousand jobs, eleven percent of the additional jobs created in the entire U.S. economy. Travel industry employment accounted for 8.4 percent of total U.S. employment in 1984, up from 6.4 percent a decade earlier.

Conclusion

Travel activity in America generates a substantial amount of the nation's employment. Over the long-term, the travel industry has created new jobs more than twice as fast as the overall economy. The industry is an abundant source of job opportunities for minorities, women and youth, groups traditionally disadvantaged in the nation's labor markets.

The travel industry proved again to be a significant counter-recessionary force in the 1981-82 economic decline as it had in the previous four recessions. And during the recovery year of 1983, the travel industry provided nearly one-half of the net increase in total U.S. employment.

Providing plentiful job opportunities for all its residents has long been the nation's top economic priority. The travel industry stands out among U.S. industries in progress toward this goal. Public policies conducive to long-term economic growth, price stability, fair international trade, and unrestricted access to energy supplies can help insure the travel industry continues to build upon its considerable past achievements.

V. TRAVEL AND ENERGY

Transportation is indispensable to travel and tourism, and American transportation is 97% dependent on petroleum fuels for its energy needs. It is no exaggeration to say our nation's transportation system, and the dependent travel industry, would cease to exist without petroleum.

Total transportation activity in the U.S. required more than 3.5 billion barrels of oil in 1984, 62% of all oil products consumed in the U.S. Consequently, in times of energy shortage, it is reasonable to expect the transportation sector must bear a major share of the conservation burden.

Fortunately, travel and tourism comprises a relatively small share of U.S. petroleum demand. In 1984, travel away from home accounted for less than 11 percent of U.S. petroleum consumption (Figure 5A). Personal motor vehicle travel, including autos, light trucks, recreational vehicles (RV's), and motorcycles, was the major user, consuming 342 million of the 587 million barrels consumed. Virtually all of the remainder was required by air travel (commercial carriers and general aviation).

Gasoline consumed in personal motor vehicle travel away from home increased two-tenths of one percent in 1984 but supported a five percent increase in passenger-miles. More energy-efficient vehicles are producing the welcome combination of reduced gasoline consumption and increased travel away from home.

Petroleum consumed in travel transportation grew nearly four percent in 1984, faster than local transportation and total national consumption. This reverses the downward trend in travel's fuel consumption evident during the previous four years. The increase is primarily attributable to increased fuel consumption by the nation's air carriers as they carried nearly eight percent more passengers than the year before.

Travel and tourism transportation comprised only 4.5% of the nation's total domestic energy demand in 1984, a small rise from 1983 (Figure 5B). This is considerably less than other sectors, yet it supports a substantial amount of economic activity. For every barrel of petroleum consumed in travel and tourism during 1984, $375 was spent by travelers.

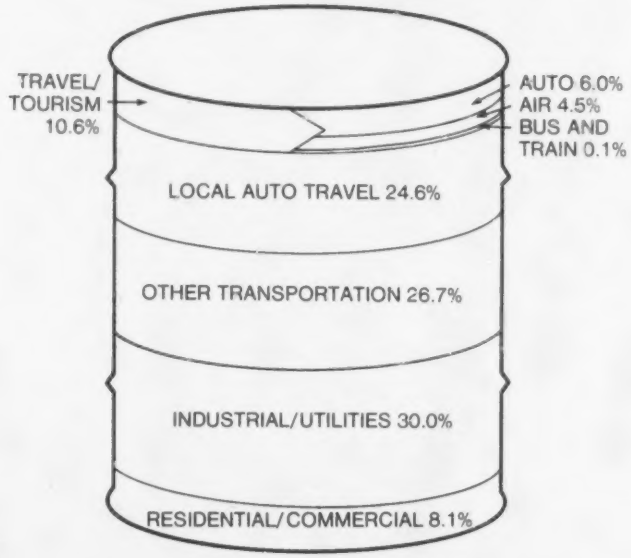
Domestic intercity travel increased 5.6 percent during 1984 while requiring only than four percent more petroleum. On the average, every gallon of petroleum fuel consumed produced 49

passenger-miles, an increase from the previous year. Further development and use of more efficient transport equipment should continue to produce gains in energy productivity in the industry.

Unfortunately, U.S. dependence on foreign sources of petroleum is on the rise again. In 1984, petroleum imports accounted for 35 percent of total U.S. petroleum products supplied, the second consecutive annual increase. This makes our nation more sensitive to foreign pricing and production, a development we can ill afford. Moreover, this contributes to a growing international trade deficit. Fortunately, the travel industry is part of the solution, combating foreign energy dependence with more fuel efficient transport equipment.

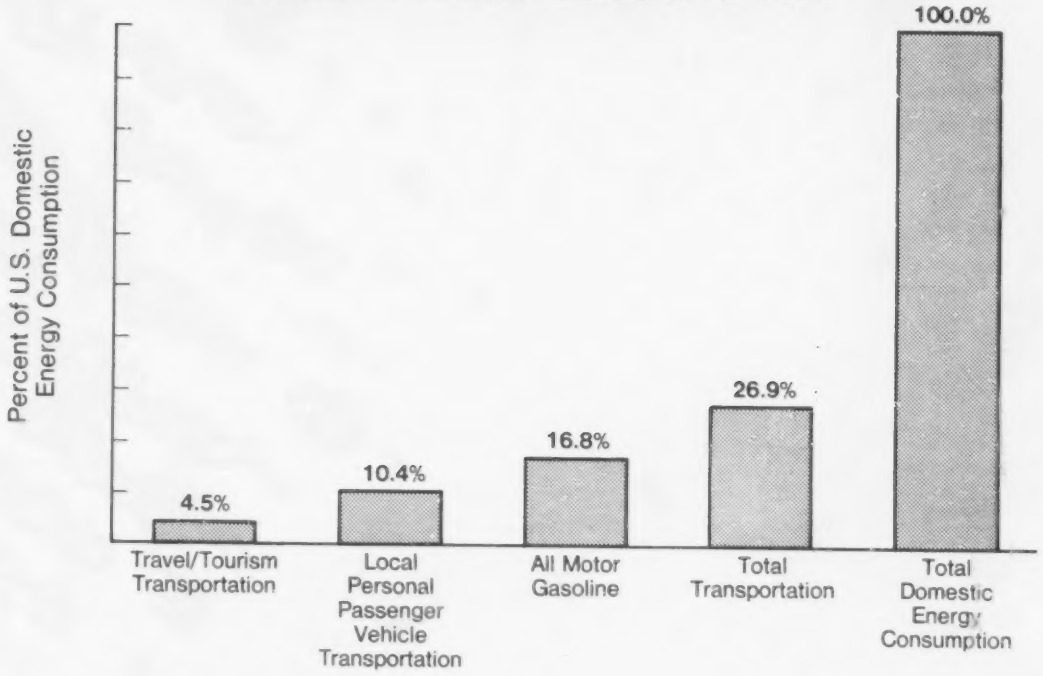
In short, travel and tourism requires a small amount of energy to make a large contribution to our economic welfare and quality of life. In times of concern over petroleum imports or shortages, little can be saved by drastically curtailing travel away from home. Rather, Americans could reduce commuting, shopping and other local uses of personal motor vehicles by one-third and save as much as total elimination of travel and tourism would.

FIGURE 5A
TRAVEL AND TOURISM ACCOUNT FOR UNDER 11%
OF DOMESTIC PETROLEUM CONSUMPTION



U.S. Consumption of Petroleum in 1984 was 5,750.6 Million Barrels.
Source: *U.S. Travel Data Center, Table 5A.*

FIGURE 5B
TRAVEL AWAY FROM HOME COMPRISED ONLY 4.5% OF DOMESTIC ENERGY DEMAND IN 1984



SOURCE: *U.S. TRAVEL DATA CENTER, TABLE 5B.*

VI. INTERNATIONAL TRAVEL TRENDS

For the third year in a row, U. S. travel expenditures in foreign countries rose at a double-digit rate in 1984, while receipts from foreign visitors fell.

The rapid economic recovery in this country provided the means for Americans to travel abroad while continued strength of the dollar in foreign exchange markets kept costs moderate. The other side of the strong dollar was high and rising costs of travel to the U.S. This depressing effect was exacerbated by limited economic recovery in most foreign countries.

Foreign visitor expenditures in the U.S. declined slightly in 1984 to just over $13.9 billion (Table VI-1). Employment directly supported by these visitors totaled 229 thousand, down five percent from the previous year. Payroll income attributable to this tourism fell seven percent. Federal, state, and local tax revenues generated by foreign visitors to the U.S. all declined as well in 1984.

Table VI-1: Measures of Foreign Visitors' Economic Contribution, 1984

Expenditures in U.S.	$13.9 billion
Payroll income generated	$ 2.5 billion
Employment generated	229 thousand jobs
Federal tax revenue generated	$ 703 million
State tax revenue generated	$ 520 million
Local tax revenue generated	$ 167 million

Source: U.S. Travel Data Center; preliminary

Foreign visitors to the U.S. totaled 20.8 million in 1984, down four percent from 1983 (Table VI-2). This was particularly disappointing in light of the one percent decline the previous year. Nineteen eighty-four was the third year in a row foreign

visitation fell for the U.S. A major rise in the value of the dollar against most major foreign currencies was the primary cause.

Canadian visitor volume fell eight percent, contributing nearly one million to the overall net decline of 900 thousand visitors. Mexico was the source for a 400 thousand increase in visitors, but this did not prevent Mexican visitor expenditures from falling nearly three percent from 1983. Large percentage declines in visitors from the South American countries are evident for 1984.

Japan was the major bright patch in an otherwise cloudy sky. Visitor volume increased by 124 thousand, boosting expenditures here by $159 million. France and Italy also produced increases in visitors and expenditures but contributed little to the overall total.

West Germans again showed the highest average expenditure per visitor, spending 86 percent more than the average for all foreign visitors (Table VI-3). Average spending increased in 1984 for all of the origin countries listed here. This is remarkable given the higher exchange rates confronting most foreign visitors. Foreign residents preferred eliminating their visit to America to cutting back on the amount spent while here.

Table VI-2: Foreign Visitors and Expenditures in the U.S. for Top Ten Countries of Origin, 1984

	Visitors		Visitor expenditures	
Country of origin	Millions	Variation from 1983	$millions	Variation from 1983
Canada	10.982	-8.1%	$3,116	-1.6%
Mexico	2.300	21.1%	1,899	-2.7%
Japan	1.407	9.7%	1,287	14.1%
United Kingdom	0.922	-9.3%	445	-4.5%
West Germany	0.540	-4.1%	552	1.8%
France	0.334	9.5%	288	13.4%
Australia	0.229	7.5%	NA	NA
Italy	0.218	9.5%	128	15.3%
Venezuela	0.171	-37.1%	NA	NA
Brazil	0.168	-16.4%	NA	NA
Total U.S.	20.810	-4.1%	$11,386	-0.2%

Note: Excludes international passenger fare payments and cruise travel.
NA = not available
Source: U.S. Travel and Tourism Administration and U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Average expenditures by Mexican visitors to the U.S. are excluded from this comparison due to the lack of consistent isitor and expenditure estimates.

Table VI-3: Average Expenditure in the U.S. per Visitor from Selected Countries, 1984

Origin Country	Average
West Germany	$1,022
Japan	915
France	862
Italy	587
United Kingdom	483
Canada	284
All countries	$ 547

Source: U.S. Travel Data Center, Table VI-2
U.S. Travel & Tourism Administration

While visitor volume declined in 1984, spending per visitor rose somewhat. The average foreign visitor spent $547 here during 1984, up four percent from 1983's average but still below the comparable estimate for 1981. The declining value of many foreign currencies in terms of U.S. dollars no doubt restrained foreign visitors from spending as much here as they did in earlier years.

It appears that the foreign visitor decline will end in 1985 as the dollar continues to weaken against major foreign currencies. The year is projected to produce a four-percent rise in foreign visitors, with all origin regions but South America participating in the recovery.

Developments expected to stimulate foreign travel to the U.S. this year include a weakening dollar, accelerating economic recovery in most major nations, relative price stability in the U.S., and increased promotion by the U.S. Travel and Tourism Administration.

Negative developments that could obstruct growth in foreign tourism to the U.S. include increases in transatlantic fares, discord between the U.S. and selected other countries on trade and other economic matters, and continued heavy promotion by competing national tourism offices in major U.S. foreign markets.

U.S. Outbound Travel

In marked contrast to inbound travel, U.S. visits to foreign countries in 1984 soared by nearly ten percent. The strengthening of the dollar made foreign travel more attractive for the U.S. traveler by lowering travel costs. By the year's end, 2.4 million more U.S. trips to foreign destinations produced two billion more dollars in traveler spending.

U.S. travelers showed a growing preference for overseas destinations in 1984. U.S. travel to Canada, the most popular country for U.S. travelers, increased only four percent, while travel to Mexico, our other bordering nation, remained at the 1983 level (Table VI-4). However, the absolute increase in U.S. trips north of our border at nearly one-half million exceeded that for any other country.

U.S. traveler volume to the major European nations increased from one-quarter to one-half. The United Kingdom was the notable exception, with U.S. visitors up less than ten percent.

U.S. expenditures abroad also grew dramatically, outpacing traveler spending in Canada and Mexico. Spending in Italy and Spain increased 50 percent for the year.

Table VI-4: U.S. Travelers and Their Expenditures in Selected Foreign Countries, 1984

	U.S. Travelers		U.S. Expenditures	
Country visited	Millions	Variation from 1983	$millions	Variation from 1983
Canada	11.706	4.2%	$2,416	11.9%
Mexico	4.100	0.1%	3,609	-0.2%
United Kingdom	2.088	9.3%	1,234	16.7%
France	1.580	24.9%	702	18.2%
West Germany	1.473	32.2%	582	40.6%
Italy	1.312	50.1%	727	50.2%
Bahamas	NA	NA	404	3.3%
Switzerland	1.106	40.2%	343	17.1%
Japan	NA	NA	399	33.9%
Spain	0.564	47.3%	327	58.0%
Total U.S.	27.496	9.8%	$16,008	14.4%

Note: Excludes international passenger fare payments and cruise travel.
NA = not available
Source: U.S. Travel and Tourism Administration and U.S. Bureau of Economic Analysis, U.S. Department of Commerce

U.S. residents actually reduced their spending in Mexico marginally. While the peso weakened considerably, government controls on rates available to tourists in the interior coupled with inflation at 50 percent or more limited the stimulative impact on U.S. visitors.

The largest average 1984 expenditure posted by U.S. travelers in a major foreign destination country was $591 in the United Kingdom (Table VI-5). This comparison reflects length of stay as well as the price structure of the land visited. The smallest amount in indicated for U.S. travelers in our northern neighbor, Canada. Mexico is excluded from this comparison due to a lack of consistent visitor and expenditure data.

Overall, Americans spent an average of $582 in foreign countries per trip in 1984, up less than four percent from 1983. It appeared, then, that the stronger dollar encouraged American to take more trips abroad without stimulating them to spend more peer trip. Indeed, as foreign currencies weakened, the U.S. traveler could purchase more travel goods and services for the same amount of dollars.

Table VI-5: Average Expenditure per U.S. Traveler in Selected Foreign Countries, 1984

Country visited	Average
United Kingdom	$591
Spain	580
Italy	554
France	444
West Germany	395
Switzerland	310
Canada	206
All countries	$582

Source: U.S. Travel Data Center, Table VI-4

International Travel Balances

The gap in U.S. international travel spending -- U.S. traveler expenditures in foreign countries less foreign traveler expenditures here -- soared in 1984. The deficit reached a record $4.6 billion, 80 percent higher than the 1983 deficit (Figure 6A). It is hard to recall that we actually enjoyed a surplus in the U.S. international travel account only three years' previous.

The thriving dollar and the strength of the U.S. economic recovery relative to other nations are the the major causes of the large and expanding deficit in international travel spending. It appears likely that the weakening U.S. dollar in 1985 will stimulate visit USA traffic while limiting some U.S. travel abroad. The result should be a dramatically lower travel deficit for the year.

The U.S. international passenger fare deficit is the difference of U.S. passenger payments to foreign carriers less receipts from foreign travelers (Figure 6B). This deficit is widening as well. The gap grew by one-third in 1984 to four billion dollars, the largest in our international travel history.

FIGURE 6A
U.S. INTERNATIONAL TRAVEL SPENDING GAP EXPANDED IN 1984

Source: *U.S. Travel Data Center, Table 6A.*

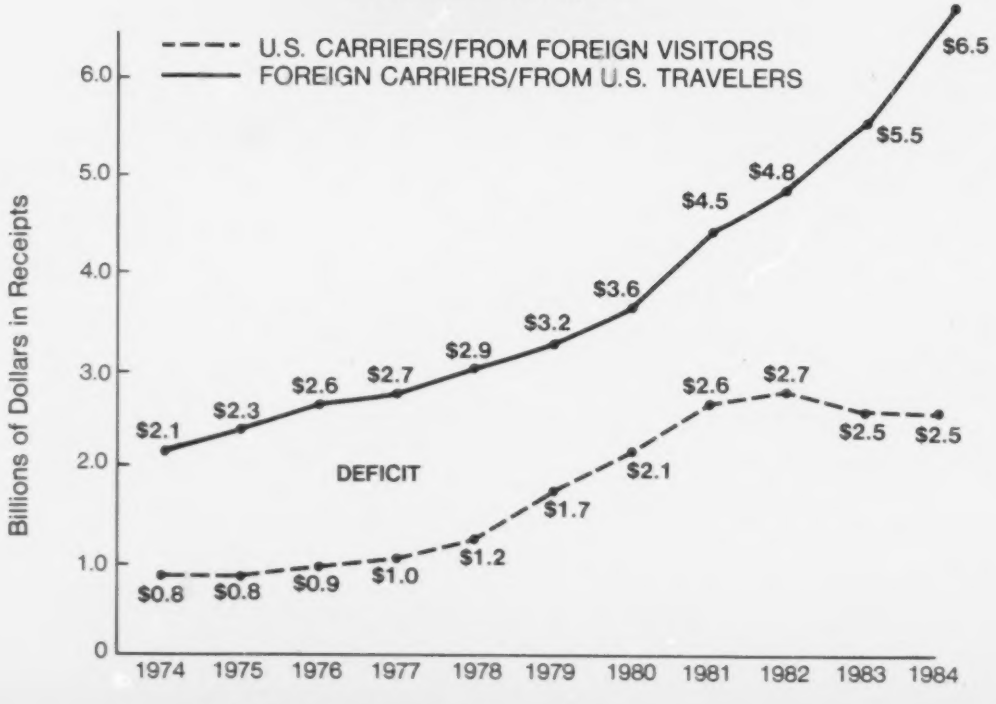
U.S. travelers paid foreign carriers $6.5 billion for international transportation in 1984, an increase of nearly twenty percent. U.S. international travelers logged 43 percent of their trips on foreign flag carriers in 1984, a slight increase over the prior year's proportion.

Foreign residents traveling to America, on the other hand, reduced their travel on U.S. carriers to 37 percent of their trips. As a result, U.S. carriers received only $2.5 billion from foreign international travelers, the same level as the year before.

U.S. carriers have managed to increase receipts from foreign nationals by less than one-half billion dollars since 1980. But foreign flag carriers gained nearly $3 billion from American travelers over this period, an increase of eighty percent.

It is unfortunate but true that U.S. international carriers have lost share in the U.S. resident travel market while that market has shown explosive growth.

FIGURE 6B
U.S. INTERNATIONAL PASSENGER FARE DEFICIT WIDENED IN 1984



Source: *U.S. Travel Data Center, Table 6B.*

Prospects for reducing the large U.S. international passenger fare deficit will not improve until impediments to fair international air travel competition are removed and American carriers aggressively compete for what is sure to be a growing market for international air travel.

Declining Market Share

Responding to the declining value of their own currencies in terms of dollars, foreign residents have reduced their travel to the U.S. for three successive years. As a result, our share of total international arrivals remained at the lowest level in more than a decade (Figure 6C).

Our share of worldwide international travel receipts fell again as well in 1984. While still above the dismal levels of 1978-79, our recent decline in receipts market share translates into reduced U.S. job and income impact and larger trade deficits.

Over the last decade, the U.S. share of international visitor receipts has averaged 11.8 percent. However, we have demonstrated we can achieve shares of thirteen percent or more. Had we been able to maintain this share, our international visitor receipts over the last decade would have totaled ten percent more than they did, and our businesses and employees would have benefitted from additional expenditures of nearly $9 billion.

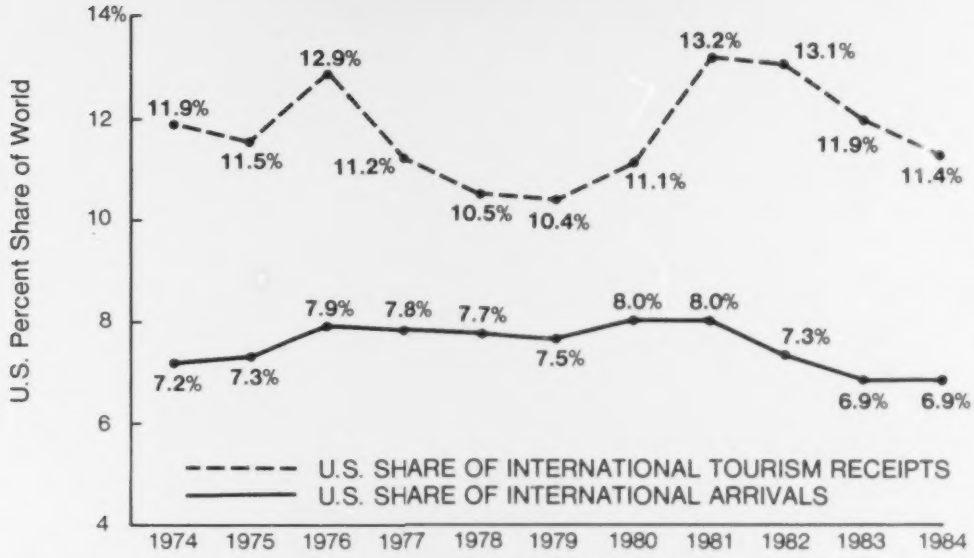
Moreover, there is no reason to believe thirteen percent is an upper limit on our share of the international market. Given the wealth of our travel attractions -- both natural and manmade -- and the diversity of our cultures, aggressive tourism marketing efforts could increase our share to fifteen percent or more.

A substantial part of such an aggressive effort must be a reversal of our declining national presence in world tourism markets. After peaking at more than $14 million in fiscal 1978, federal government resources devoted to international travel development fell to $8.1 million in fiscal 1983, and have risen to only $12 million for fiscal 1984, 1985 and 1986.

If we use the increase in overall consumer prices to represent inflation over these years, the federal government is now devoting less than one-half the real financial resources to developing visit USA markets as it did seven years ago.

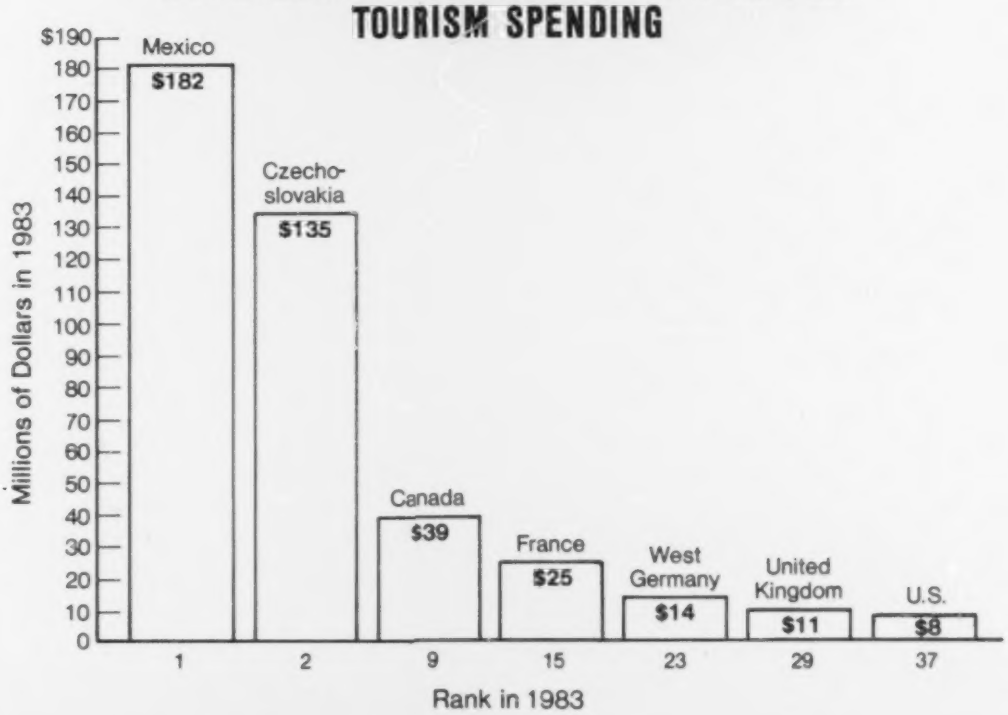
The U.S. lags far behind other countries in national government resources devoted to international travel development (Figure 6D). At least 36 governments spent more on tourism

FIGURE 6C
U.S. SHARE OF INTERNATIONAL ARRIVALS AND RECEIPTS REMAINED LOW IN 1984



Source: *U.S. Travel Data Center, Table 6C.*

FIGURE 6D
U.S. RANKS 37th IN NATIONAL GOVERNMENT TOURISM SPENDING



Source: *U.S. Travel Data Center, Table 6D.*

development than the U.S. in 1983. (Denmark, Sweden, Ireland and Portugal are not included in the World Tourism Organization report on national government spending on tourism development, yet all probably spend more than the U.S.) It is difficult to believe three dozen other countries are wrong to devote more of their scarce budget resources to financing tourism development than we do. It is more likely it is the U.S. that is out of step.

Figure 6E suggests the distribution of our international tourism market interests among eight regions defined by the U.S. Bureau of the Census. These regions differ from the "travel regions" used in earlier editions of this report.

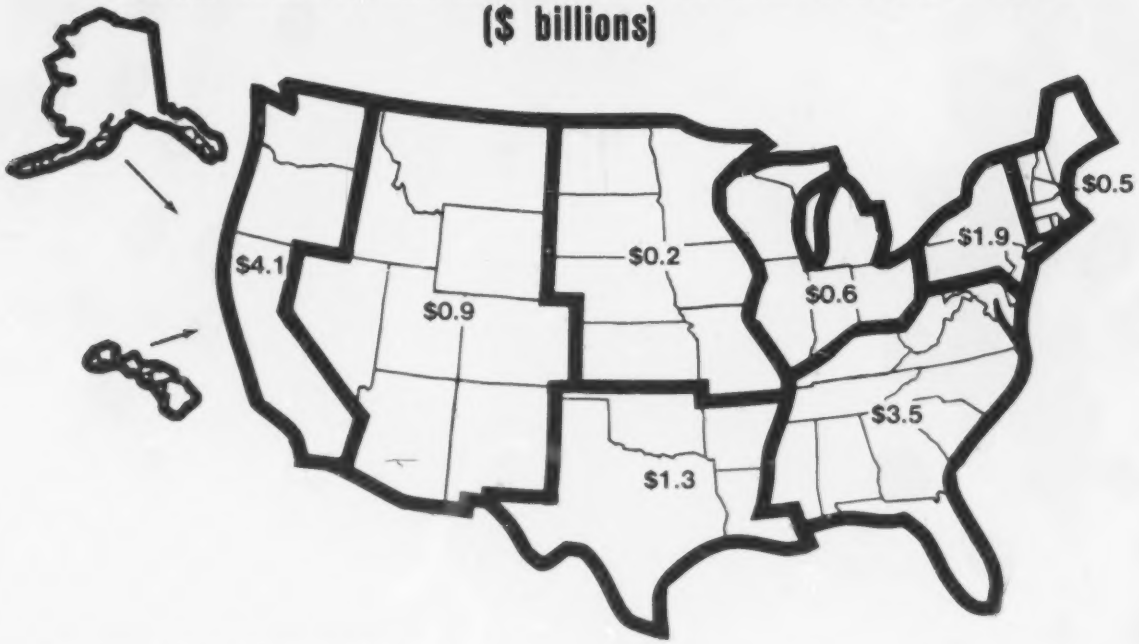
In 1983, foreign visitors spent over $4 billion in the five-state Pacific regions alone, generating substantial employment and income in the process. The Southeast, too, enjoys considerable economic benefits from these markets. Even the West North Central region, garnering the smallest amount of visitor dollars, benefitted to the tune of $200 million. This positive impact was sizable relative to the regional economy.

All regional economies are favorably affected by foreign visitor spending. What is more, foreign visitors could contribute significantly more than they now do to economic development in these areas if the U.S. government mounted an aggressive, targeted international tourism marketing program.

We cannot expect the state and local agencies and private enterprises in these regions to develop foreign visitor markets alone. The official state travel development offices, for example, are already spending as much to develop these markets as the federal government. The private sector, predominantly small business in nature, generally cannot afford the considerable costs of taking effective positions in foreign markets. Moreover, they often lack the expertise required.

Rather the federal government, with its commitment to balanced economic growth and small business prosperity and its familiarity with operating in foreign business environments, should take a more responsible stand. A U.S. Travel and Tourism Administration budget large enough to raise us out of our cellar position in international travel market development would benefit states, regions and the nation alike.

FIGURE 6E
FOREIGN VISITOR EXPENDITURES IN U.S. REGIONS, 1983
($ billions)



Source: *U.S. Travel Data Center, Table 78.*

VII. REGIONAL TRAVEL PATTERNS

Americans make many trips to destinations in their own country. The U.S. Travel Data Center estimates that in 1984 Americans took more than one billion person-trips within the U.S. to places 100 miles or more away from home. These include trips for business or pleasure, in all seasons, in all regions of the country.

Figure 7A shows the destinations of 1984 travel away from home by eight regions defined by the U.S. Bureau of the Census. These are different from the "travel regions" used in earlier editions of this report. The estimates were derived from the Data Center's National Travel Survey, conducted monthly.

The Southeast region includes the largest number of states and is the most popular regional travel destination. In 1983 this region attracted over one quarter of all U.S. trips. The East North Central region, the Great Lakes area, held second place. The smallest number of trips were made to New England, comprising only less than four percent of all U.S. person-trips for the year.

Regional Economic Impact

Travel's economic contribution begins with expenditures in a region. Travel spending depends not only on the number of trips to a region but the number of days spent there and the eating, lodging, amusement and transportation habits of the visitors. The Data Center's Travel Economic Impact Model, developed in 1975 and revised since, combines estimates of these factors to produce the measures of employment, income and tax revenue generated by travelers in an area.

The 1982 estimates of U.S. and foreign visitor spending in each region are shown in Figure 7B. The Southeast, ranked first in travelers, also holds first place in expenditures with nearly one-quarter of the total. The Pacific regions took second place, indicating travelers there spend more per trip than other regions. Travelers in the West North Central region spent the least -- only seven percent of the U.S. total -- but still exceeded $14 $9 billion.

Individual states and cities as well as regions benefit from travel and tourism activity. Indeed, travel contributes to the economy of virtually all local areas in the nation. The U.S.

FIGURE 7A
U.S. RESIDENT TRAVEL BY DESTINATION REGION, 1984
(millions of person-trips)

Source: *U.S. Travel Date Center's National Travel Survey*

FIGURE 7B
U.S. AND FOREIGN TRAVEL EXPENDITURES IN U.S. REGIONS, 1983 ($ billions)

Source: *U.S. Travel Data Center, Table 7B.*

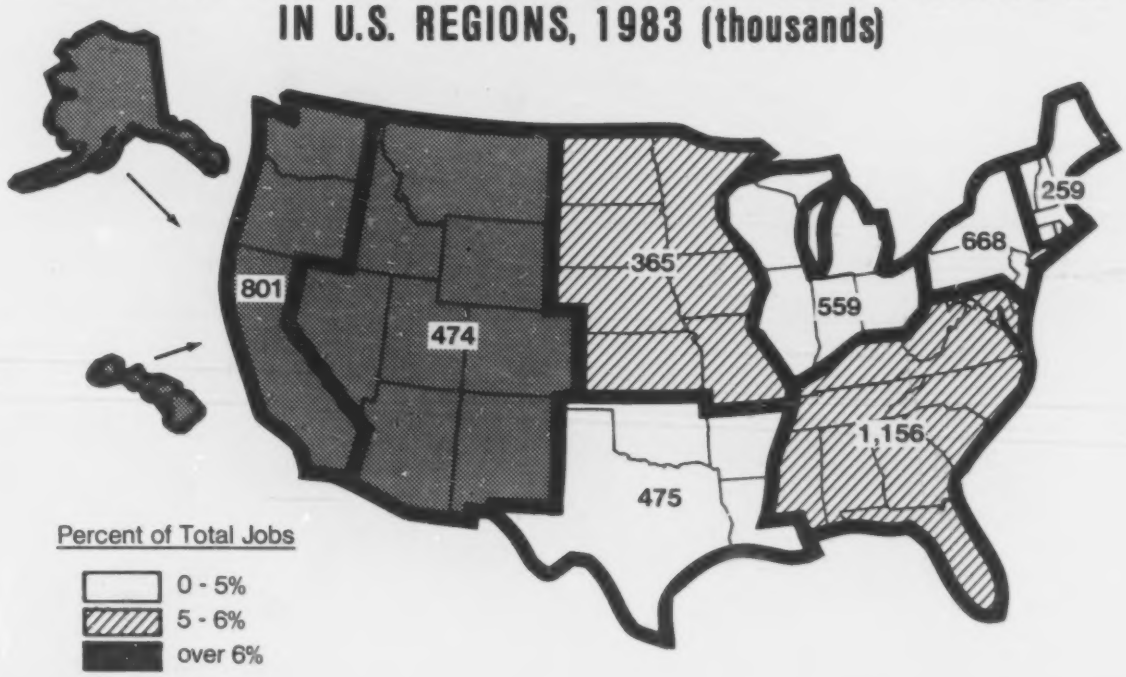
Travel Data Center has conducted studies of travel's economic impact in nearly 1,800 of the nation's 3,139 counties and county equivalents since 1978. In only three of these counties was it found that travel made no measurable economic contribution. There are few industries that can boast of such ubiquitous economic benefits.

One of the most important economic effects of travel is the employment it generates, Figure 7C shows the regional distribution of the 4.8 million jobs directly attributable to travel in 1983.

The Southeast region led this category in 1983 with nearly 1.2 one million travel-generated jobs, one-quarter of the total, the same share as expenditures . The Pacific region in travel expenditures, held second place. New England showed the least employment of any region, but still exceeded one-quarter million travel-generated jobs.

The Mountain region, with relatively few jobs attributable to travel activity, is most dependent on it for employment. More than one job in ten there are directly generated by travel spending.

FIGURE 7C
EMPLOYMENT GENERATED BY U.S. AND FOREIGN TRAVELERS IN U.S. REGIONS, 1983 (thousands)



Source: *U.S. Travel Data Center, Table 7C.*

Major industrial regions, such as the East North Central area, indicate the least dependence on travel and tourism for employment. However, these regions still have a significant stake in the growth and prosperity of the travel industry as other industries decline.

Travel is a powerful economic development force in many areas. Data Center studies show that travel and tourism generate more jobs than any other private industry in 12 states and is among the top three private employers in 41 states. In no state does travel rank lower than twelfth among the 69 private sector industries studied.

Public officials and business executives concerned with facilitating regional economic development should consider policies that encourage travel development and avoid those that impede tourism's unique abilities to generate employment and regional economic development.

VIII. CONCLUSION

The U.S. economy continued to expand robustly in 1984 after the severe 1981-82 recession. Employment and income grew at rapid rates. The expansion was accompanied by unusually stable prices, and petroleum supplies, often a major constraint on travel during the earlier decade, were plentiful. In short, consumers and business enjoyed increasing resources that could be allocated to expanded travel activity.

However, consumers were slow to allocate more of their growing income to travel away from home. Travel spending grew more slowly than overall consumption spending, and some measures of real travel activity actually declined for the nation. For the most part, business travel was lackluster as well.

It is no coincidence that retail sales of consumer durable goods, such as automobiles, housing, home furnishings, appliances and consumer electronic equipment, soared in 1983 while travel was mixed. These items garnered at least $100 billion of discretionary income that might have been spent on increased travel and tourism.

The length and severity of the 1981-82 recession, coming as it did on the heels of the 1980 recession, forced many Americans to postpone purchases of major consumer durables for a number of years. When favorable economic times returned, additional income initially went to replacing worn-out items and adding modern ones, and not to more travel.

Americans behaved similarly after the prolonged 1973-75 recession. After a year or so of restocking, they turned their growing discretionary dollars toward increased travel. We can expect the same will occur in 1984, barring an economic downturn.

However, the growing popularity of home video equipment and personal computers combined with the rise in local recreation and entertainment opportunities, suggest travel marketers face growing competition from local leisure activities. Industry-wide efforts to position travel as a superior use of leisure time and discretionary dollars are required to insure the overall travel market expands over time.

Foreign travel destinations competed all too well with domestic ones in 1984. This was primarily a response to the rising value of the dollar against most major foreign currencies. Travel to some countries became irresistible bargains for many Americans, displacing some tourism activity here. Moreover, foreign visitors could not provide the boost to our economy we have come to expect because their own currencies buy fewer dollars.

The dollar has fallen significantly from its historic highs in the last year, and most expect it to trend downward for the foreseeable future. Foreign competition for the U.S. traveler will moderate, and the volume and impact of foreign visitors to our shores should resume their upward climb.

Despite a disappointing performance in 1984, travel and tourism continued to play a major role in employment and income growth. The industry once again proved itself to be an engine of employment for new entrants as well those groups that have traditionally found it harder to obtain employment than the rest of the labor force. And the travel industry's counter-recessionary job creation abilities continued unabated in the latest recession.

Travel and the industry that serves it is a major force for economic growth and stability yet it is still little recognized among public and business decision makers. This is no doubt due to unique complexity of the industry that defies ready understanding. The variety of different businesses catering to the traveler and the industry's predominantly small-business nature prevent it from being neatly captured by federal statistics or easily recognized in the local economy. As a result, the travel industry does not have the legislative leverage of the steel industry or agriculture in public policy debates.

This ignorance of travel's formidable contributions to national and regional economies is dangerous to our nation's health. We risk implementation of unfavorable tax, expenditure and regulatory policies at all levels of government. In a real sense, the lack of understanding of how travel contributes to expanding economic and lifestyle choices could permit the killing of a goose that lays a golden egg.

The eggs can become larger and more frequent if the nation pursues policies maximizing economic growth and economic choice. The travel industry should speak out during the major debates on fiscal, monetary and trade policies for fair treatment and a sound economy. It enjoys a long history of public-private sector cooperation in economic development through tourism, but this needs to be expanded and explained as well.

APPENDIX A: BASIC TRAVEL DATA

Table 2A: Business Receipts of Selected U.S. Travel Industry Sectors, 1973-1984
($ billions)

Sector	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985p
Transportation													
Air*	$8.518	$9.903	$10.301	$12.104	$13.773	$15.753	$18.931	$23.317	$25.504	$25.442	$27.779	$31.677	$33.533
Bus	1.023	1.152	1.172	1.232	1.331	1.420	1.664	1.943	2.069	2.103	2.211	2.280	2.394
Rail**	NA	0.177	0.214	0.235	0.260	0.259	0.325	0.375	0.428	0.427	0.461	0.516	0.516
Lodging													
Hotel/motel	10.955	11.757	13.002	15.129	16.413	20.070	25.229	26.832	31.572	32.749	35.897	38.917	42.018
Foodservice													
Eating and drinking places	40.402	44.673	51.067	57.211	63.276	71.817	81.990	89.924	97.969	104.427	114.684	124.109	131.629
Entertainment/recreation													
Amusement and recreation services	14.120	16.695	18.047	20.748	22.803	23.224	25.750	28.327	31.704	39.149	42.399	44.780	49.258
Travel industry	NA	$84.357	$93.803	$106.659	$117.856	$132.543	$153.889	$170.718	$189.246	$204.297	$223.431	$242.279	$259.348
Gross national product	$1,326.4	$1,434.2	$1,549.2	$1,718.0	$1,918.3	$2,163.9	$2,417.8	$2,631.7	$2,957.8	$3,069.3	$3,304.8	$3,662.8	$3,900.0

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*U.S. certificated carriers in domestic service
**Data cover fiscal years October 1 through September 30.
NA = not available p = projected
Note: details may not add to totals due to rounding
Source: U.S. Travel Data Center, based on data from the Civil Aeronautics Board, American Bus Association, Amtrak, U.S. Bureau of Economic Analysis, U.S. Bureau of the Census

Table 28: Business Receipts of Selected U.S. Travel Industry Sectors in 1972 Dollars, 1973-1984
($1972 billions)

Sector	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985p
Transportation													
Air*	$8.232	$8.435	$8.582	$9.553	$10.300	$11.852	$13.422	$12.896	$12.711	$13.481	$14.654	$15.758	17.854
Bus	1.004	1.054	0.966	0.955	0.989	0.974	1.054	1.042	1.031	1.023	1.008	1.031	1.041
Rail**	0.206	0.190	0.202	0.223	0.234	0.217	0.272	0.255	0.261	0.228	0.234	0.245	0.257
Lodging													
Hotel/motel	10.374	10.340	10.286	11.207	11.327	12.435	13.719	13.376	14.523	13.697	14.463	15.178	15.392
Foodservice													
Eating and drinking places	37.459	36.742	38.410	40.303	41.415	43.110	44.320	44.153	44.203	44.667	46.999	48.816	49.988
Entertainment/recreation													
Amusement and recreation services	13.564	14.973	15.089	16.441	17.209	16.613	17.352	17.918	18.939	22.286	22.816	22.955	23.912
Travel industry	$70.839	$71.734	$73.535	$78.682	$81.474	$85.201	$90.139	$89.640	$91.667	$95.381	$100.174	$103.983	$108.444
Gross national product	$1,254.3	$1,246.3	$1,231.6	$1,298.2	$1,369.7	$1,438.6	$1,479.4	$1,475.0	$1,513.8	$1,480.0	$1,534.7	$1,639.3	$1,678.6

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*U.S. certificated carriers in domestic service
**Data cover fiscal years October 1 through September 30.
p = projected
Note: details may not add to totals due to rounding
Source: U.S. Travel Data Center, based on data from the Civil Aeronautics Board, American Bus Association, Amtrak, U.S. Bureau of Economic Analysis, U.S. Bureau of the Census

Table 2C: U.S. Domestic Intercity Transportation Activity, 1973-1984
(billions of passenger-miles)

Sector	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985p
Common carriers													
Air*	132.4	135.4	136.9	152.3	164.2	189.1	212.7	204.4	201.4	213.6	232.2	249.7	274.7
Bus	26.4	27.7	25.4	25.1	26.0	25.6	27.7	27.4	27.1	26.9	26.5	27.1	271.0
Rail**	3.8	3.5	3.9	4.1	4.3	4.0	5.0	4.7	4.8	4.2	4.4	4.6	46.0
Total	162.6	166.6	166.2	181.5	194.5	218.7	245.4	236.5	233.3	244.7	263.1	281.4	591.7
Auto/truck/RV***	787.9	760.2	793.2	853.5	891.7	923.0	896.0	881.1	894.1	907.1	919.8	968.8	1,002.6
Total all modes	950.5	926.8	959.4	1,035.0	1,086.2	1,141.7	1,141.4	1,117.6	1,127.4	1,151.8	1,182.9	1,250.2	1,594.2

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*U.S. scheduled and nonscheduled carriers in domestic service

**for fiscal years October 1 through September 30.

***data have been revised to reflect new Federal Highway Administration road classification system.

Note: details may not add to totals due to rounding

Source: U.S. Travel Data Center, based on data from the American Bus Association, Amtrak, and Transportation Policy Associates, Washington, D.C.

Table 2D: U.S. Travel Agency Locations, Airline Sales and Airline Commissions, 1977-1984

	1977	1978	1979	1980	1981	1982	1983	1984
Travel agency locations*	13,454	14,804	16,112	17,339	19,203	20,962	23,059	26,037
Agency airline sales** ($ billions)	$9.4	$11.4	$14.7	$18.1	$20.0	$21.8	$25.8	$29.8
Agency airline commissions ($ millions)	$805	$895	$1,176	$1,533	$1,951	$2,061	$2,428	$2,837
Airline passenger revenue ($ billions)	$16.8	$19.2	$23.2	$28.9	$31.1	$31.0	$33.3	$37.5

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*U.S. agency locations only

**includes credit card sales

Source: Air Transport Association of America, Civil Aeronautics Board, U.S. Data Center

Table 3A: Travel Price Index and Its Components, 1973-1984

(1967 = 100)

Component	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985p
Transportation													
Airline fares	134.7	145.9	159.0	172.2	182.0	190.6	205.8	284.8	358.4	395.0	417.8	442.6	466.9
Bus fares	145.7	161.0	186.0	196.9	223.5	240.2	260.0	297.1	339.8	368.8	402.2	436.3	469.0
Rail fares	122.8	135.2	151.2	165.3	180.6	194.6	212.4	250.1	297.9	334.0	352.9	379.0	390.4
Gasoline	118.1	159.9	170.8	177.9	188.2	196.3	265.6	369.1	410.9	389.3	376.3	370.2	375.8
Lodging													
Hotel/motel	138.4	148.9	159.8	172.9	187.0	213.1	245.8	280.7	312.8	349.0	366.7	395.3	424.9
Foodservice													
Food away from home	141.4	159.4	174.3	186.1	200.3	218.4	242.9	267.0	291.0	306.5	319.9	333.3	348.3
Entertainment/Recreation													
Entertainment services	132.3	140.1	149.1	155.3	166.2	175.4	187.6	201.6	216.3	231.8	245.2	257.4	270.3
Incidentals	118.0	125.6	132.9	137.4	161.5	168.7	178.0	193.3	206.1	215.4	221.7	227.1	233.9
Travel Price Index	130.0	148.9	160.2	169.9	187.8	203.3	234.3	283.2	319.7	337.2	350.6	363.9	380.3
Consumer Price Index	133.1	147.7	161.2	170.2	181.5	195.4	217.4	246.8	272.3	289.1	298.4	311.1	322.6

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*Consumer Price Index revised beginning with 1977; data for 1977 and subsequent years are not strictly comparable with earlier years.

Source: U.S. Travel Data Center, based on U.S. Bureau of Labor Statistics data.

Table 4A: Payroll Employment for Selected Travel Industry Sectors, 1973-1983
(thousands)

Sector	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Intercity highway passenger transportation	41.3	42.4	39.9	39.6	37.4	36.1	36.7	37.9	38.1	38.8	35.5	37.4
Air transportation	365.7	367.8	362.8	373.8	386.3	407.9	438.2	453.4	454.6	443.6	455.2	493.0
Eating and drinking places	3,053.8	3,231.2	3,379.5	3,656.2	3,948.6	4,277.2	4,513.1	4,625.8	4,749.5	4,831.2	5,041.8	5,403.3
Hotels, motels and tourist courts	807.7	823.5	849.5	885.2	913.0	945.6	1,019.9	1,037.7	1,076.4	1,092.8	1,131.1	1,225.5
Amusement and recreation services	543.7	553.5	596.8	636.8	665.7	708.4	712.0	763.5	783.6	799.2	817.7	801.1
Travel Industry	4,812.2	5,018.4	5,228.5	5,591.6	5,951.0	6,375.2	6,719.9	6,918.3	7,102.2	7,205.6	7,481.3	7,960.3
Total U.S.	76,790.0	78,265.0	76,945.0	79,382.0	82,471.0	86,697.0	89,823.0	90,406.0	91,156.0	89,566.0	90,196.0	94,461.0

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES 1909-78, July 1984.

Table 4B: Payroll Employment for Selected Travel Industry Sectors, 1981-1984, Monthly (Continued)
(thousands)

Sector - 1984	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Intercity highway passenger transportation	38.7	36.0	35.6	36.2	37.0	39.0	38.5	38.3	39.3	37.3	36.4	36.3
Air transportation	466.5	469.7	473.0	480.1	485.9	495.0	503.6	505.8	507.8	506.9	508.2	512.9
Eating and drinking places	4,987.7	5,015.6	5,119.6	5,332.7	5,449.0	5,575.0	5,601.7	5,635.2	5,643.8	5,517.4	5,472.7	5,488.6
Hotels, motels and tourist courts	1,108.5	1,126.3	1,161.2	1,191.3	1,226.7	1,276.4	1,296.0	1,314.2	1,288.7	1,251.1	1,235.7	1,230.2
Amusement and recreation services	712.9	721.3	750.0	791.5	833.6	895.9	915.5	913.3	857.2	764.8	727.5	729.8
Travel Industry	7,314.3	7,368.9	7,539.4	7,831.8	8,032.2	8,281.3	8,355.3	8,406.8	8,336.8	8,077.5	7,980.5	7,997.8
Total U.S.	91,298	91,867	92,587	93,537	94,356	95,182	94,510	94,808	95,745	96,278	96,648	96,719

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES, 1909-78, July 1985.

Table 4B: Payroll Employment for Selected Travel Industry Sectors, 1981-1984, Monthly (Continued)
(thousands)

Sector - 1983	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Intercity highway passenger transportation	39.0	36.3	36.2	36.8	37.7	38.3	40.4	40.2	39.7	38.0	20.4	22.5
Air transportation	436.5	438.2	440.4	448.0	452.1	457.3	464.4	467.6	467.7	461.8	462.0	465.9
Eating and drinking places	4,663.5	4,670.6	4,775.4	4,957.6	5,080.8	5,176.3	5,199.1	5,248.5	5,277.9	5,161.1	5,138.0	5,153.3
Hotels, motels and tourist courts	1,026.0	1,041.8	1,068.4	1,110.9	1,133.4	1,174.6	1,204.9	1,218.7	1,176.5	1,157.7	1,133.7	1,126.8
Amusement and recreation services	707.8	711.6	743.3	803.4	853.5	919.9	947.0	945.5	895.1	794.7	745.5	745.0
Travel Industry	6,872.8	6,898.5	7,063.7	7,356.7	7,557.5	7,766.4	7,855.8	7,920.5	7,856.9	7,613.3	7,499.6	7,513.5
Total U.S.	87,614	87,621	88,232	89,095	89,907	90,735	90,164	89,907	91,634	92,148	92,506	92,783

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES, 1909-78, July 1985.

Table 5A: U.S. Travel/tourism Transportation Consumption of Petroleum, 1983-84
(millions of barrels)

Sector	1984p	1983p	1984 percent Distribution	1984/83 percent change
Travel/tourism				
Certificated air (1)	231.9	207.4	4.0%	11.8%
General aviation (2)	29.8	32.1	0.5	-7.2
Intercity bus (3)	4.6	4.5	0.1	2.2
Amtrak (4)	1.5	1.5	*	0
Auto/truck/RV/motorcycle (5)	342.2	341.5	6.0	0.2
Total	610.0	587.0	10.6%	3.9%
Local personal passenger vehicle transportation (5)	1,412.6	1,405.9	24.6%	0.5%
Other transportation (5)	1,536.4	1,442.1	26.7	6.5
Total transportation (6)	3,559.0	3,435.0	61.9	3.6
Industrial (6)	1,519.9	1,436.4	26.4	5.8
Residential and commercial (6)	466.0	433.0	8.1	7.6
Electric utilities (6)	205.7	246.8	3.6	-16.7
TOTAL PETROLEUM CONSUMPTION (6)	5,750.6	5,551.2	100.0%	3.6%

Note: details may not add to totals due to rounding.
*estimated at 0.03 percent p = preliminary
Source: U.S. Travel Data Center

(1)Civil Aeronautics Board. (2)Federal Aviation Administration. (3) American Bus Association for all intercity carriers. (4) Estimated by Amtrak. (5)Estimated by the U.S. Travel Data Center based upon the 1977 Nationwide Personal Transportation Study and Federal Highway Administration data. (6) U.S. Department of Energy, Monthly Energy Review, March 1985

Table 58: U.S. Domestic Consumption of Energy, 1983-84

(quadrillion BTU)

	1984	1983	Percent change
Travel/tourism transportation	3308	3179	4.1%
Local personal passenger vehicle transportation	7661	7614	0.6%
Motor gasoline	12368	12069	2.5%
Transportation	19863	19146	3.7%
Total domestic energy consumption	73723	70497	4.6%

Source: U.S. Travel Data Center, based on data from Table 5A and U.S. Department of Energy, MONTHLY EMERGY REVEIW, May, 1985.

Table 6A: U.S. International Travel Receipts, Payments, and Balance, 1973-1984
($ millions)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Receipts from foreign visitors in the U.S.	$3,412	$4,032	$4,697	$5,742	$6,150	$7,186	$8,441	$10,588	$12,913	$12,393	$11,408	$11,386
Payments of U.S. travelers in foreign countries	5,526	5,980	6,417	6,856	7,451	8,475	9,413	10,397	11,479	12,394	13,977	16,008
Balance on travel receipts less payments	(2,114)	(1,948)	(1,720)	(1,114)	(1,301)	(1,289)	(972)	191	1,434	(1)	(2,569)	(4,622)

Note: ( ) represents negative balance
Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Table 68: U.S. International Passenger Fare Receipts, Payments, and Balance, 1973-1984
($ millions)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
U.S. passenger fare receipts from foreign travelers	$718	$813	$767	$937	$1,025	$1,238	$1,677	$2,062	$2,575	$2,692	$2,524	$2,533
U.S. passenger fare payments to foreign carriers	1,790	2,095	2,263	2,568	2,748	2,896	3,184	3,607	4,487	4,772	5,484	6,508
Balance on passenger fare receipts less payments	(1,072)	(1,282)	(1,496)	(1,631)	(1,723)	(1,658)	(1,507)	(1,545)	(1,912)	(2,080)	(2,960)	(3,975)

Note: ( ) represents negative balance
Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Table 6C: U.S. and World International Travel Receipts and Arrivals 1973-1984

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
International travel receipts ($ billions)*												
United States	$3.41	$4.03	$4.70	$5.74	$6.15	$7.19	$8.44	$10.59	$12.91	$12.39	$11.41	$11.39
World	$31.1	$33.8	$40.7	$44.4	$55.1	$68.5	$81.3	$95.3	$97.7	$94.6	$96.2	$100.0 p
International arrivals (millions)												
United States	14.0	14.2	15.7	17.5	18.5	19.7	20.3	22.5	23.1	20.9	20.4	20.8
World	191	197	214	221	238	256	269	281	288	287	294	300 p

*excludes international passenger fare payments
p = preliminary
Source: U.S. Department of Commerce, World Tourism Organization

Table 6D: National Government Expenditures on Tourism Development by Top 37 Countries, 1983

Rank	Country	Expenditures ($ millions)
1	Mexico	$182.1
2	Czechoslovakia	134.8
3	Brazil	78.6
4	Greece	69.1
5	Turkey	62.1
6	Spain*	61.1
7	Korea	59.0
8	Switzerland*	47.4
9	Canada	39.3
10	Italy	36.5
11	Venezuela	30.0
12	Jamaica	29.5
13	Bahamas	28.0
14	Belgium	25.6
15	France	25.2
16	Singapore	24.3
17	India	24.3
18	Peru	20.1
19	Tunisia	19.9
20	Egypt	15.7
21	Columbia	13.8
22	Syria	13.8
23	Germany	13.5
24	Hungary	12.8
25	Bermuda	12.3
26	Israel	12.3
27	Netherlands	12.3
28	Trinidad & Tobago	11.3
29	United Kingdom*	11.2
30	Hong Kong	10.6
31	Austrialia	10.6
32	Findland	9.3
33	Japan	9.2
34	Costa Rica	8.7
35	Malaysia	8.4
36	Phillippines	8.4
37	United States	8.1

*estimated

Note:

Reporting countries did not include Denmark, Sweden, Ireland and Portugal...all expected to rank higher than the United States.

Source:

World Tourism Organization and Travel and Tourism Government Affairs Council

Table 7B: Travel Expenditures by U.S. and Foreign Visitors, by Census Regions 1983

($ billions)

CENSUS REGIONS	U.S. Travel expenditures	Foreign visitor expenditures	Total
New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	$ 10.7	$ .5	$ 11.2
Middle Atlantic: New Jersey, New York, Pennsylvania	29.4	1.9	31.3
South East: Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, District of Columbia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia	45.7	3.5	49.2
East North Central: Indiana, Illinois, Michigan, Ohio, Wisconsin	22.8	0.6	23.4
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota	14.2	0.2	14.4
West South Central: Arkansas, Louisiana, Oklahoma, Texas	20.9	1.3	22.2
Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming	18.2	0.9	19.1
Pacific: Alaska, California, Hawaii, Oregon, Washington	34.0	4.1	38.1
U.S. Total	$ 195.9	$ 13.1	$ 209.0

Table 7C: Employment Generated by U.S. and Foreign Visitor Expenditures, by Census Region, 1983

CENSUS REGIONS	U.S. Resident and Foreign Visitor Travel Generated Employment (thousands)	Percent of Total Payroll Employment
New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	259.3	4.7%
Middle Atlantic: New Jersey, New York, Pennsylvania	668.2	4.5
South East: Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, District of Columbia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia	1,155.5	5.7
East North Central: Indiana, Illinois, Michigan, Ohio, Wisconsin	559.2	3.6
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota	365.3	5.4
West South Central: Arkansas, Louisiana, Oklahoma, Texas	474.7	4.9
Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming	474.4	10.2
Pacific: Alaska, California, Hawaii, Oregon, Washington	801.1	6.1
U.S. Total	4,757.7	5.2

APPENDIX B: RESOURCES

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